FBIS DAILY REPORT

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ANDEAN PACT LEADER ALLEGES SYSTEMATIC ATTACKS

PY210241 Paris AFP in Spanish 2330 GMT 20 Feb 86

[Text] Lima, 20 Feb (AFP) -- Andean Pact board coordinator Pedro Luis Echeverria said here today that powerful economic groups are systematically and in a coordinated fashion attacking all multilateral agencies in an effort to destabilize them. He added that industrialized nations prefer to hold bilateral negotiations with developing countries, instead of dealing with organizations in which the latter combine their efforts and their potential to overcome the crisis.

Echeverria, a Venezuelan citizen, was alluding to recent criticism of the Andean Pact, including that in an editorial in Caracas' DAILY JOURNAL, which said that the Pact is in agony and that it would be advantageous to bury it at a discreet and modest funeral. Echeverria said that the Andean Pact is not the only organization that has had to confront problems like the ones that arose in Caraballeda last week. The EEC had to cope with the same problems, and its integration process has not been hindered, he stressed. He said that if an expanded market is created, and if current restrictions are eliminated, the Andean companies will use their idle installed capacity, offer new jobs, and reduce their production costs.

Echeverria concluded by saying that Regulation No 24 (foreign capital regulation) has given the Andean countries access to foreign technology and the chance to develop their own technology.

PANAMA'S ABADIA ON CONTADORA, U.S. INVOLVEMENT

PA231804 Panama City STAR AND HERALD in English 23 Feb 86

[Text] Panama City, (REUTER) -- Panamanian Foreign Minister Jorge Abadia Arias today advised the United States against direct military involvement in Central America. Abadia told a news conference that the Contadora Group, which links Panama with Mexico, Colombia and Venezuela, understood the Reagan Administration's anxiety about the region. But the group had been trying to show President Reagan, "In a decent, friendly and diplomatic way, that the decisions made by superpowers, despite their immense military strength, aren't always the best decisions.

"We think that an armed intervention in Central America would carry with it incalculable future political costs for the United States," Abadia said. He said Contadora foreign ministers would meet again in Punta del Este, Uruguay, on February 26 and 27. This meeting would possibly be followed by a brief visit to Cuba for talks with high-level government officials, Abadia said.

The trip would rain [as published] to narrow differences between "Countries with ties and interests in the region so we can move ahead with a decision supported by all sides," he said. "Despite everything that's been said about Contadora, we believe we're just a short way from a resolution that will bring tranquillity, peace and progress to the area," Abadia said. He was one of eight Latin American Foreign Ministers from Contadora and its Support Group who met in Washington earlier this month to request U.S. support for their efforts to bring peace to Central America. The Foreign Ministers said they sought an end to U.S. support for some 12,000 rebels fighting Nicaragua's leftist government.

Earlier this week Reagan called for $100 million in aid for the rebels, known as "contras."

FURTHER REPORTAGE ON DELEGATION VISITING UK

Meeting With Labor's Kinnock

PY211327 Buenos Aires DYN in Spanish 2150 GMT 19 Feb 86

[Text] Buenos Aires, 19 Feb (DYN) -- Radical Senator Adolfo Gass today reported that British Labor Party leader Neil Kinnock has promised to start "negotiations immediately" with Argentina over the Malvinas Islands, if his party comes to power after the elections in Great Britain next year. Kinnock said that the British Government would comply fully with all the terms of the UN General Assembly resolutions. Kinnock, who met with the four Argentine congressmen visiting London, said that he "still maintains the same position he expressed when President Raul Alfonsin visited Paris," and added that he would like to meet him again in June in Lima, Peru during the annual meeting there of the Social Democratic International.

In turn, Gass qualified the meeting with Kinnock as "very cordial" and added that the veteran British politician asked the Argentines to pose for a picture with him for the front page of the most important British newspaper. Speaking about Kinnock, Gass said that "he is a young man with a personal charm that greatly facilitates the development of talks."

In a telephone call from London to DYN, the Argentine legislator analyzed the Labor Party's possibilities of winning the next elections. "They are sure that they will win," Gass said. Regarding this subject he said that "the Laborites will have to compete with the forces of the Liberal-Social Democratic Alliance, "which has a great chance of winning according to the latest polls. Many people believe that one of this alliance's leaders will be the future British prime minister, although Gass did not rule out a probably triumph for the Labor Party. He said that "the Labor Party is an important political force (in the United Kingdom) that is attentively listened to by large sectors of the population."

Changing the subject, Gass reported this morning that the four Argentine congressmen had lunch with the main London editorialists, and that in the afternoon (at 1500 UK time) they held a long meeting with the main Catholic Church leaders. The meeting with Kinnock started at 1730, British time, and lasted for an hour [words indistinct] cordial" and of mutual understanding, according to Gass. [quotation mark as received]

Gass also discussed the exchange of views held with the members of the South Atlantic Council, a nongovernment organization formed by Parliament members of all parties, historians, and other personalities from the political and economic life of the United Kingdom. On that occasion, the president of this organization, Edmund Blackmore, an expert on Argentine subjects, said before some 50 people that the visit of the Argentines "demonstrates personal and political courage, because they decided to come to London without thinking of the consequences, which means that they are worthy men who seek peace."

The delegation of Argentine congressmen will meet tomorrow with the influential Anglican Church hierarchy (who represent the religious majority in the United Kingdom) which is seeking "a road of rapprochement between the parties in conflict." This attitude has been condemned by the Malvinas Islands inhabitants who have called the religious leadership members "pro-Argentines." This meeting will take place in the afternoon, while in the morning Gass, Amoedo, Bordon, and Storani will meet with David Owen, leader of the Social Democratic Party.

Social Democrat David Owen

PY211823 Buenos Aires DYN in Spanish 0019 GMT 21 Feb 86

[Text] Buenos Aires, 20 Feb (DYN) -- UCR [Radical Civic Union] Senator Adolfo Gass today stated that "we have convinced the British public that the Malvinas sovereignty issue must be included in any negotiation." He noted that the change that has taken place is due to "a more flexible position that has been adopted in 1982." Gass said that "our visit to the United Kingdom can be described as successful" and that this is "what hurts Margaret Thatcher's Conservative government the most, particularly because we have definitively crushed its plans of making us appear before the world as being against holding serious negotiations."

In a statement made in London, the Argentine senator stressed that "the first defeat that the Thatcher government suffered was that it failed to force us to hold a meeting with a second-level Foreign Office official, a meeting that we had never requested." He alluded to the wide coverage that the British press granted to a meeting that the four Argentine legislators were supposed to hold with Timothy Eggar, a Conservative member of Parliament who serves as a link between the British Foreign Office and the House of Commons.

Gass said that this situation "was badly handled by the British Government" and added that something similar happened when they tried to make it look as if there was a disagreement between the Justicialist Party and UCR Party representatives [in the Argentine delegation]," when in truth "the members of the opposition behaved as if they were members of the administration, in view of the staunch position they uphold on this question."

Regarding their activities today, Gass reported that they met with David Owen, leader of the Social Democrats who, together with the Liberals, have formed a coalition that will participate in next year's election and confront Margaret Thatcher, who hopes to win a third consecutive term. Gass observed that "there is a marked difference" between Owen's position regarding the Malvinas issue and that upheld by Neil Kinnock (Labor Party) and David Steel (Liberal Party), "since in the past Owen was secretary of state for foreign and commonwealth affairs of the United Kingdom."

But Gass admitted that during the talks, which started in an atmosphere of some intransigence, Owen had to finally admit that "in the end we shall have to sit down at the negotiating table, but this will not occur while Margaret Thatcher is in power." Gass added, however, that Owen's opinion is "very important," because he is a former member of the Labor Party. He also described Owen as "a true representative of the British imperturbability."

In addition, he said that everything that he had just said and everything concerning the Argentine position was included in a communique and in a press conference that was covered "by the greatest number of journalists, television cameras and photographers that I have ever seen, which clearly shows the great interest there in our visit."

For his part, UCR Deputy Federico Storani said that "the balance is finally tilting toward the side that believes that a peaceful, negotiated solution to the conflict must be sought." He said that the majority of British leaders, even some Conservative Party members, "are willing to take the first step, that is, to sit down at the negotiating table." Storani said that "this is very important," because it opposes the negative position that Prime Minister Margaret Thatcher has always held.

Answering a question, Storani said that "we are acting according to an overall strategy." He added that they had obviously consulted with the Foreign Ministry. Storani said that he believes that "the visit will be successful" and added that many conservative sectors "believe that the British Government should adopt a more flexible position." He added that "Argentina is willing to take into account the interest of the islanders," as has been repeatedly stated, but that "it will never recognize their desire for self-determination which will lead to an eventual independence of the islands."

Moreover, Justicialist Party Member Jose Octavio Bordon harshly criticized the Conservative government for "indefinitely delaying negotiations on the sovereignty issue by implicitly admitting that it is not possible to discuss something that is improper."

As for the criticisms in Buenos Aires about the mission's activities in the United Kingdom, particularly those of fellow Justicialist Party member Carlos Ferre, Bordon said that "it is all part of the [British] -- ruling party's maneuver to create confusion regarding everything that involves the Malvinas, and that maneuver was joined by other political sectors that have ended up agreeing with the hard-line sectors of the Margaret Thatcher government."

SPANISH SHIP FISHING WITH UK PERMIT DETAINED

PY212227 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2125 GMT 21 Feb 86

[Text] Buenos Aires, 21 Feb (NA) -- A Spanish fishing ship was detained and taken to the port of Bahia Blanca this morning by Argentine Naval Prefecture members who discovered that it was fishing near the Malvinas Islands exclusion zone with a British permit. The ship was ordered to make "a forced arrival" at the port of Bahia Blanca in Buenos Aires Province after Naval Prefecture members requested it to show a fishing permit for Argentine waters and verified that the operation was being carried out under "authorization extended by the United Kingdom."

URUGUAY'S SANGUINETTI ARRIVES FOR VISIT

PY221329 Buenos Aires TELAM in Spanish 1305 GMT 22 Feb 86

[Text] Buenos Aires, 22 Feb (TELAM) -- The airplane carrying Uruguayan President Julio Maria Sanguinetti arrived today at 1045 [as received] at the Metropolitan Airport. During his stay in Buenos Aires, Sanguinetti and Argentine President Raul Alfonsin will discuss issues pertaining to the foreign debt and bilateral relations. The Uruguayan president was welcomed by President Alfonsin with all the honors due a chief of state upon his arrival at the military sector of the Jorge Newbery Airport. After a warm greeting, the two presidents proceeded to review the troops stationed at the airport. The two presidents will meet at the Olivos presidential residence, and once the meeting is over they will hold a press conference.

Joint Statement Issued

PY230041 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2030 GMT 22 Feb 86

[Text] Buenos Aires, 22 Feb (NA) -- In a joint statement, Argentine President Raul Alfonsin and Uruguayan President Julio Maria Sanguinetti today expressed "their strong rejection of protectionist policies and of unfair commercial practices" used by developed countries, especially the EEC and the United States, and warned them that these practices could have "devastating consequences that will undermine the stability of international relations."

The two presidents also [words indistinct] subsidies to exports applied by the nations of the North "are in violation of basic rules governing the right to a free, fair access to all markets and of the very economic principles advocated by the developed countries." They also expressed their "deep political concern over the developed countries' failure to pay attention to this unfair situation."

In their joint statement, the two presidents also expressly referred to the demands of the Cartagena Consensus Group by expressing "their solidarity with all Latin American and developing countries which , like Argentina and Uruguay, are having their chances of achieving growth seriously impaired." The presidents added that these restrictions "stem from the growing financial commitments the debtor countries have had to involuntarily assume and also from the deterioration in the value of their exports provoked by protectionist policies adopted by developed countries."

The joint statement, which was signed this afternoon during a 10-hour visit made to Buenos Aires by President Sanguinetti, adds that "while the foreign debt of debtor countries increases because of the imposition of outrageous interest rates, the value of their export products has declined to all-time low levels." In this regard, they contended that the "dumping" practiced by the EEC has provoked "drops of up to 40 percent in the international prices of our agricultural export products," and that the United States has applied direct subsidies to totaling $7 billion for exports and $20 billion for production.

They added that "no satisfactory reply has been given to the just demands of the developing countries," and that the situation has been "seriously aggravated by the competition between the U.S. and EEC agricultural markets." These policies, the two presidents say, "bring about the closing of the developing countries' traditional markets, the substitution of third markets that were habitual purchasers, and the pronounced deterioration of international prices."

Continuing, the text says that "the common agricultural policy subsidizes today up to 80 percent of the internal agricultural prices, thus artifically stimulating production, which generates exportable surpluses that can be sold in the international market only because it is strongly subsidized, to the point that the subsidies can be said to represent the practice of dumping."

The part of the declaration containing the resolutions says:

1. [The two leaders] express their strong rejection of the protectionist policies and the unfair commercial practices used in the international market by the industrialized countries, particularly those of the European Economic Community and the United States.

2. They voice their profound political concern for the lack of attention by the developed countries to this unjust situation, as well as for the dramatic consequences such lack of attention may have for the stability of international relations.

3. They express their solidarity with the other Latin American and developing countries, which, like Argentina and Uruguay, have their growth possibilities hindered by the rigidity imposed by mounting financial commitments stemming from decisions for which the debtor countries are not responsible, and by the deterioration of the value of their exports resulting from the developed world's protectionism.

Sanguinetti Departs

PY230046 Buenos Aires TELAM in Spanish 2223 GMT 22 Feb 86

[Text] Buenos Aires, 22 Feb (TELAM) -- Uruguayan President Julio Maria Sanguinetti returned to Montevideo from the Aeroparque Metropolitan Ariport at 1835 after a 10 hour visit during which he signed bilateral integration documents. President Raul Alfonsin was at the airport to say farewell in a ceremony in which military forces rendered the honors.

STATISTICS INSTITUTE RELEASES 1985 TRADE FIGURES

PY212001 Buenos Aires BUENOS AIRES HERALD in English 20 Feb 86 p 3

[Text] (DYN) -- The balance of trade surplus leapfrogged 80 times from three million dollars to 245 million dollars between October, 1984, and the same month last year, the National Statistics Institute (INDEC) announced on Tuesday. Exports climbed from 460 million dollars to 565 million while imports dropped from 457 to 320 million dollars. The balance of trade surplus for the first 10 months of last year was 4.043 billion dollars, and 18.8 percent improvement on the 3.402 billion dollars in the same period of 1984.

PAZ ESTENSSORO DISCUSSES FOREIGN POLICY, DEBT

PY241524 Paris AFP in Spanish 1657 GMT 22 Feb 86

[Text] La Paz, 22 Feb (AFP) -- During the first press conference he has held since assuming office on 6 August 1985, President Victor Paz Estenssoro today noted that there is a worldwide tendency to turn state enterprises over to the private sector. Paz Estenssoro said that this is happening in Felipe Gonzalez' Spain, Francois Mitterrand's France, Raul Alfonsin's Argentina, and Deng Xiaoping's PRC.

Commenting on other international issues, the Bolivian chief executive stressed the pragmatic manner in which Chile has resolved its conflict over the Beagle Channel with Argentina, and the ability of its diplomacy in seeking a rapprochement with Alan Garcia's Peruvian administration. This shows, Paz Estenssoro said, that Bolivia needs a new approach in order to negotiate its century-old landlocked situation with Chile. According to the president, this pragmatic approach should take into account that the economies of Chile and Bolivia can complement each other, opening a broad field for negotiations.

Speaking about the foreign debt, Paz Estenssoro indicated that Bolivia shares the belief of the Third World that collective agreements should be reached. Concerning Bolivia's particular problem, Paz Estenssoro recalled that the country's foreign debt totals $4 billion, which may be burdensome for the country since exports have dropped to barely $370 million a year, but it is not a large sum if compared to Latin America's overall debt and this paves the way for negotiations. He explained that in any case Bolivia will not even make a token payment to amortize its debt until it achieves [words indistinct] the agreement reached between Paz Estenssoro's party, the Nationalist Revolutionary Movement (MNR), and General Hugo Banzer Suarez's Nationalist Democratic Action (ADN), which ensures the continuity of the democratic process and the implementation of the government's anti-inflation policy.

Paz Estenssoro concluded by saying that Bolivia's situation will improve in the next 3 months despite the worldwide economic crisis, the way in which industrialized nations burden Third World nations with the consequences of their own problems [words indistinct].

ANTI-DRUG OPERATIONS PLANNED WITH U.S.

PY241730 Paris AFP in Spanish 1431 GMT 24 Feb 86

[Text] La Paz, 24 Feb (AFP) -- Sources close to the U.S. military mission in La Paz reported here today that the U.S. and Bolivian Armies will conduct joint operations in the Chapare areas in Cochabamba Department (central Bolivia), where there are extensive coca leaf plantations intended for the manufacture of cocaine. The sources stated that the joint operations will take place within 60 days as part of the exercises called Bol-USA-2, an acronym formed by the first syllables of the names of the countries participating in the agreement. It was recalled that these tactical exercises, simultaneously aimed at preparing antiguerrilla and antinarcotics actions, were opposed by the Cochabamba peasants during the former government of Hernan Siles Zuazo (1982-1985). However, the operations are now being endorsed by the ruling party, the Nationalist Revolutionary Movement (MNR), and its ally, the conservative Nationalist Democratic Alliance (ADN).

PAPER PREVIEWS U.S. DEFENSE OFFICIAL IKLE'S VISIT

PY221420 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Feb 86 p 2

[By Roberto Godoy]

[Text] The visit that U.S. Under Secretary of Defense Fred Ikle will pay to Engesa [Specialized Engineers, Inc], Avibras Aerospacial [Brazilian Airspace Industry], and Embraer [Brazilian Aeronautics Company], Brazil's larger arms manufacturers, in Sao Jose dos Campos next week has no commerical objectives. Actually, the Armed Forces Staff [EMFA] itself, which is sponsoring the visit, is having trouble explaining Ikle's visit: After all, a secret visit about which the press will receive no information and which will be paid on an undisclosed date can hardly be called a courtesy visit. Yesterday, an assistant EMFA officer briefly said that Ikle will fulfill "a technical agenda" in Brazil.

Ikle will arrive in Sao Jose dos Campos at a time when the three manufacturers that he will visit are engaged in various projects involving the United States. The U.S. Army is testing two Engesa Urutu EE-11 amphibious armored cars as troop carriers. Embraer has just been formally qualified in the call for bids to provide 650 Tucano training aircraft to the U.S. Air Force. Avibras has begun company-level contacts with a major U.S. corporation with the objective of exchanging technology. But this is not all.

From a political viewpoint, Ikle will want to know whether the provision of arms and defensive weapons to openly anti-U.S. countries like Libya, or to countries that the Pentagon considers "potentially dangerous," like Iraq, entails any risk to U.S. interests. Some of the experts in Ikle's entourage certainly will observe the Engesa EE-T1 Osorio tank, which was the winner in a series of tests performed under extremely harsh conditions in Saudi Arabia. These tests were carried out to determine the most suitable tanks. Beyond all doubt, the experts will also pay particular attention to the Avibras Astros II [multiple rocket launcher system] being built by the LTV consortium of Dallas. (The Brazilian weapon has more operational flexibility and is cheaper).

From a strategic viewpoint, Ikle will be directly interested in the Brazilian parallel military nuclear program, which is being slowly but firmly carried out at the Air Force airspace center and in similar Army and Navy agencies. Even though the timetable of this program is being complied with as scheduled, Ikle will probably hear the official contention that the program respond to a scientific research plan aimed at developing Brazilian nuclear technology, and that the decision on what will be done with this technology will be political in nature and will be made by the government, probably in 1990. Nevertheless, the fact of the matter is that the Navy is already developing engineering studies for a nuclear submarine using a compact reactor designed by Navy technicians.

Despite the fact that it has not been mentioned even for "off" [preceding word in English] the record discussion, Ikle will want to hear what the Brazilian military has to say about the expanding activities of guerrilla groups, like Colombia's M-19 and Peru's Shining Path. He will aslo want to discuss, even unofficially, the possibility of creating an inter-American peace-keeping force that would act in Central America under the terms of the Rio de Janeiro Treaty, in case of a Nicaraguan aggression against any country of the region.

Finally, from a merely operational viewpoint, Fred Ikle will strengthen the U.S. promise to support the Brazilian Air Force efforts to bolster its squadrons with 26 used 5D Tiger II supersonic fighters. But this is nothing new.

PMDB LEADERS QUESTION CONGRESSIONAL ROLES

Cabinet Meeting Missed

PY212055 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 21 Feb 86

[Text] President Jose Sarney has asserted that the government leadership in Congress will continue to be exercised by a member of the PMDB [Brazilian Democratic Movement Party]. With this statement Sarney put an end to the speculation that the position of Senate leader, held by Senator Fernando Henrique Cardoso, who did not attend the Cabinet meeting ceremony, would go to the Liberal Front Party.

The PMDB leader in the Chamber of Deputies, Deputy Pimenta da Veiga, has labeled his own absence from the meeting of the new Cabinet as a precautionary measure. He pointed out that the majority of the PMDB bloc is discussing the question of whether one congressman should be party bloc leader and government leader at the same time, and that this is the reason he did not feel obligated to attend the meeting. The second leader of the PMDB in the Senate, (Oliveiro), labeled Pimenta's gesture as childish. He added that his absence from the meeting was to protest the manner in which the ministerial reform was carried out.

Ulysses Guimaraes, PMDB president in the Chamber of Deputies, said that Pimenta's absence from the Cabinet meeting was not an affront to President Sarney. Guimaraes added that Pimenta justified his absence by saying that he needed to know the PMDB bloc and National Directorate positions. These groups will meet on 4 and 6 March. Regarding Sarney's speech Guimaraes said that if the guidelines given by the president are followed they will be beneficial.

Da Veiga Explains Absence

PY221408 Rio de Janeiro O GLOBO in Portuguese 21 Feb 86 p 2

[Text] Brasilia -- The Brazilian Democratic Movement Party [PMDB] leader in the Chamber of Deputies, Pimenta da Veiga, will not be the government leader in Congress until his party decides whether he can be the party bloc leader and government leader concurrently. "I do not feel authorized to hold the two positions until the party bloc meets," Pimenta said. He justified his absence from the first Cabinet meeting as "simply a precautionary measure," because "it would be senseless to participate in such a ceremony when the government leader should be present while the whole party bloc is questioning whether the two positions should be held simultaneously."

"Does this mean that you no longer are responsible for the government leadership?" a reporter asked Pimenta. "This is a recess period. The government does not need a leader in Congress," he replied harshly, and requested that the subject not be overemphasized since it was "a simple omission, to say the least."

Pimenta reported that President Sarney was told about his absence from the Cabinet meeting beforehand, but he did not reveal how he informed the president. "I reported my position through the same means that the invitation was sent. I will not give details," he said. He said that the president's proposals in his speech during the Cabinet meeting were correct, "because they are in keeping with the commitments assumed by the Democratic Alliance government."

Sarney Says PMDB 'Pacified'

PY241720 Rio de Janeiro O GLOBO in Portuguese 21 Feb 86 p 2

[Excerpt] Brasilia -- "The PMDB [Brazilian Democratic Mobilization Party] is strong and pacified, and it will not surrender its leadership of the government bloc in the Chamber of Deputies. It is our party," President Jose Sarney stated yesterday while walking rapidly down the corridor of the third floor of Planalto Palace on his way to a surprise party for General Ivan de Souza Mendes, chief of the SNI [National Intelligence Service], who will celebrate his birthday tomorrow. The conversation did not last long because the president did not stop:

[Unidentified reporter] Mr President, what is the status of the PMDB?

[Sarney] Firm as always. It is our party.

[Reporter] Do you believe that the PMDB will give up its leadership of the government bloc in the Chamber of Deputies.

[Sarney] Under no circumstances. The party has been pacified.

FUND SHORTAGE AFFECTS NUCLEBRAS PROGRAMS

PY221432 Brasilia Radio da Amazonia Network in Portuguese 0900 GMT 22 Feb 86

[Report by Antonio Carlos]

[Text] Nuclebras [Brazilian Nuclear Corporations, Inc] President (Mecias Ceabra) yesterday stated that the energy supply in the southeastern and south-central regions of the country may be affected in 1992 if Nuclebras programs are not finished within the established schedule because of the shortage of funds. This situation also affects the ANGRA II and ANGRA III nuclear plants, which are included in the Eletrobras [Brazilian Electric Power Companies, Inc] electrical system budget and which are scheduled to be operating by 1992 and 1995, respectively. In addition, programs will be rescheduled and, consequently, more funds will be needed, (Mecias Ceabra) explained. [recorded passage indistinct]

About $2 billion must be invested to finish building the ANGRA II and ANGRA III Plants. Once in operation, the two nuclear plants will produce 2.6 million kilowatts. A task force that was established this month is presently studying the budget that has been allocated to finish the construction programs within the established deadline. This task force is made up of members of Seplan [Secretariat of Planning], the Finance Ministry, and the Mines and Energy Ministry. The study must be concluded by the end of April.

BUENOS AIRES HERALD DISCUSSES MERCHANT FLEET

PY212023 Buenos Aires BUENOS AIRES HERALD in English 20 Feb 86 p 11

[By Geraldine Upton]

[Text] A number of important developments are now underway in Brazil as regards shipbuilding and also the shipping of huge quantities of ore and lesser quantities of grain mostly to the Far East, in particular to Japan, China and eventually S. Korea. Brazil's Merchant Marine Fund (FMM) will this year make available ample funds for financing new buildings in the country's work-starved shipyards, and the signing of various contracts for merchant ships is said to be imminent. Attention is also being paid to a shuttle service between Brazil and the Far East involving ultra large bulkers and combined shipments of ore and grain using smaller vessels in conjunction with the Japanese Ministry of Transport.

Perhaps these moves will help Brazil to recover her previous position in the world shipbuilding league. At the end of the third quarter of 1978 Brazil figured second, surpassed only by Japan, with her total order book (ships under construction and those on order but not commenced) standing at 199 vessels of 2,969,591 tons gross. She remained in that position for two years until S. Korea moved up to second place and remained there ever since. Brazil then hovered between fourth and sixth on the list until the first quarter of 1984 when she moved up to third slot with 73 vessels of 1,619,569 tons and stayed there for one year until China and Taiwan moved up to third place.

Mid-1985 found Brazil with the smallest total order book since the end of 1972, namely 53 ships of 1,150,370 tons and there was only a slight improvement by the third quarter of last year to 47 vessels of 1,170,642 tons, Brazil was then fifth in the shipbuilding league, in both quarters, after Japan, S. Korea, China and Taiwan and Poland. Her best total order book has been at the end of 1975 when it comprised 245 vessels of 3,573,930 tons, although that earned her only eighth place, following Japan, Sweden, the U.S. the UK, France, Spain and W. Germany.

Now there are hopes of recovering some of the lost ground as the FMM will make available this year 12.3 trillion cruzeiros (680 million dollars) for new orders. This follows three years of control of the fund by the State Economic and Social Development Bank (BNDES) which was appointed in 1983 when the FMM ran out of funds.

Since that date the BNDES has released some 315m dollars for building about nine merchant vessels and 24 offshore supply ships totalling around 613,000 tons d.w. However, the secretary general of the Transport Ministry, Marcelo Perrupato, now hopes that the injection of new finance will secure domestic orders of up to 1m tons d.w. for Brazil's yards. According to Sinival, the Association of Shipbuilding Industries, the yards' output last year totalled 747,100 tons d.w., an improvement of 15 percent over the 1984 result, but still small for a sector with the capacity to build up to 2m tons d.w. a year. There are also plans eventually to extend financing arrangements to export orders, but it is considered that this year FMM's resources are likely to be restricted to domestic projects.

The managing council of the FMM has provisionally accepted, amongst other financing requests, those for two or possibly three superbulkers of about 360,000 tons d.w. each for Docenave, the shipping arm of Cia. Vale do Rio Doce (CVRD), Brazil's state-owned mining company. The country is seeking to sell more ore and grain to the Far East and is trying to boost its competitiveness with suppliers who are nearer, such as Australia.

With this end in view, Docenave is endeavouring to establish a shuttle service between Brazil and the Far East with the ultra large bulkers, taking ore on the outward trip and returning empty, and it is also trying to arrange combined shipments of ore and grain in vessels in the 135/170,000 tons d.w. bracket. Docenave now has five such vessels under construction in Brazil, and when all are delivered by 1988 they will partly replace aging ore/oil carriers. Docenave discarded previous ideas of constructing more "combos" as domestic oil production is rising and Brazil has no need to increase imports. However, Brazil has agreed to increase its purchase of Chinese crude oil by 10,000 barrels a day to 57,000, but has insisted on having the option to export the additional volume.

One of the advantages of the shuttle is that ordinary bulkers can be used and are cheaper to build than combination carriers. Another point in their favour is that no major investment in port facilities would be required in Brazil as CVRD's two principal ore loading terminals -- Ponta da Madeira, the Carajas port, and Turbarao -- could handle superbulkers although full loading at berth would not be possible at the latter.

As suitable port facilities already exist in the Far East, the service would depend on transshipment facilities to allow for delivery to different destinations within the region. A transfer station would be required to transship the cargoes to smaller vessels for oncarriage to their final destination. A commission consisting of representatives of the transport, mines and energy and agricultural ministries -- including Docenave's commercial director, Hugo Figueiredo -- is now examining the question of this new facility, including its location.

At Tubarao plans are now being prepared to build a vertical and a horizontal silo, and to convert the No 1 pier for grain loading. The combined shipment of ore and grain was proposed as a way of reducing the cost of transporting grain to Japan, as this usually go in Panamax size vessels. According to CVRD's president Eliezer Natista, the rate for grain to Japan could be reduced from 30 dollars a town d.w. to 14 dollars or less. Combined shipments, he said recently, hold out the prospect of additional exports worth 4bn dollars for Brazil. Greatly reduced freight rates are also visualized for ore in superbulkers at 9 dollars per ton d.w. compared with 12 dollars for vessels of around 150,000 tons d.w.

IRANIAN COMMERCIAL MISSION PAYS VISIT

PY241336 Brasilia Radio Nacional da Amazonia in Portuguese 0900 GMT 24 Feb 86

[Text] An Iranian commercial mission is visiting Brazil. The members of the mission are scheduled to hold meetings with representatives of the industrial, iron and steel, and oil sectors, as well as with Brazilian Government officials. During their 10-day stay in our country, the Iranians will visit Sao Paulo, Rio de Janeiro, Brasilia, and Belo Horizonte. The objective of the mission is to strengthen bilateral commercial ties.

SARNEY'S HEALTH REPORTED GOOD AFTER TESTS

PY221629 Sao Paulo Radio Bandeirantes in Portuguese 1500 GMT 22 Feb 86

[Relay by Neuton Flora]

[Excerpt] Early this morning, at about 0820, President Sarney left [name indistinct] Hotel and went to the Heart Institute, where he underwent two routine checkups, according to his doctor, Dr Mecias de Araujo, Jr. Sarney underwent a test for aggregation of plaques that is, a blood test, and an ecchocardiogram, that is an ecchocardiography. According to Dr Mecias, these are all routine tests that will complement a checkup that President Sarney will undergo in March in Brasilia. Sarney is in good health. His blood pressure is 12/8 and heart beat 68.

DEL VALLE SATISFIED WITH BOLIVIAN STATEMENTS

PY242036 Santiago Domestic Service in Spanish 1630 GMT 24 Feb 86

[Excerpt] Foreign Minister Jaime del Valle has expressed his satisfaction with the statements made by the Bolivian president concerning a rapprochement between the two nations. Minister Del Valle said that the statements made by President Victor Paz Estenssoro fully agree with the statements repeatedly made by the [Chilean] Foreign Ministry.

[Begin Del Valle recording, in progress] ... with satisfaction because in his statements the Bolivian president agrees with something we have repeatedly said, namely that it is essential for these two nations to seek rapprochement, and indeed increasing trade is one of the many ways to do it. Thus, we agree with his statements and I believe that they also agree with what we have been saying for a long time. [end recording]

GOVERNMENT AUTHORIZES RETURN OF 47 EXILES

PA210123 Paris AFP in Spanish 2357 GMT 20 Feb 86

[Text] Santiago, 20 Feb (AFP) -- According to the Interior Ministry, the Chilean Government today authorized 47 exiles who obtained political asylum in various countries during the past 12 years to return to the country. In a communique, the National Division of Social Communication [Division Nacional de Comunicacion Social] noted that these people -- who include 23 women but no political leaders -- may enter Chile beginning in March. It added that favorable consideration was given to the requests filed by these people "in keeping with the Interior Ministry's permanent work of reviewing the requests for reconsideration filed by persons who would have been denied entry into the country."

Last September, General Augusto Pinochet's regime authorized 482 exiles to return to Chile. It was reported at that time that the prohibition to return remained in effect in the case of 3,678 refugees, of whom 47 may now return to Chile. In recent reports, the Catholic Church and the Chilean Commission on Human Rights estimated that 160,000 refugees have left the country under the military regime.

COMMUNIST PARTY ISSUES 1986 MANIFESTO

For the "text" of the Chilean Communist Party Manifesto transmitted by Moscow in Spanish to Chile see the Latin America & Caribbean section of the 21 February Soviet Union DAILY REPORT.

BRIEFS

CENTRAL BANK RESERVES DROP -- Santiago, 15 Feb (EFE) -- According to the Central Bank, at the end of 1985 Chile's gold and foreign currency reserves totaled $1,866,700,000, which represents $189,200,000 less than in December 1984. According to the same report, in 1985 the country's balance of payments showed a deficit of $98.6 million and the trade balance a surplus of $795 million. [Text] [Paris AFP in Spanish 1453 GMT 15 Feb 86 PY]

CASH RESERVES, BULLION BROUGHT FROM SWITZERLAND

PY242206 Paris AFP in Spanish 2030 GMT 24 Feb 86

[Text] Lima, 24 Feb (AFP) -- According to the weekly CARETAS, Peru has removed some $500 million of its reserves from Switzerland and bought 70 tons of gold bars which are being secretly transported to Lima. This transaction, confirmed at noon today by the minister of the presidency, Nicanor Mujica, was carried out by the Peruvian Government to avoid possible embargoes by the foreign banking sector, especially the U.S. banking sector, according to the magazine CARETAS. Recently, and for the second time, Peru unilaterally postponed the payment of more than $4 billion of its 1985 and 1986 obligations, this out of a total $14.0 billion foreign debt.

The Peruvian dollar reserves were removed from U.S. banks last year, and deposited with the International Settlement Bank in Basle, Switzerland. According to official estimates, Peru's current net reserves amount to some $1.5 billion, and the gross reserves, to $2.726 billion.

On Sunday, President Alan Garcia warned the Peruvian citizenry that they should be prepared for international pressure and possible embargoes due to the government's decision to amortize its debt with only 10 percent of its export revenues and without the IMF's interference. Minister Nicanor Mujica stated that when a country has reserves and there is the threat of an embargo it is better to withdraw those reserves while possible than to have them remain in others' hands. The minister of the presidency added that one must have confidence in the president of the republic's capacity, integrity, and intelligence. If this has been done it was to safeguard the country's interests.

According the CARETAS, Peru decided to withdraw its reserves after the Swiss bank notified the Central Bank that it could not receive any more deposits and that it should reduce its deposits. CARETAS said that Peru started removing the gold from Switzerland last week in two Swiss planes that had been secretly contracted and that landed at an air base near the Jorge Chavez Airport in Lima. The magazine also disclosed a legal report from the Reserves Central Bank warning the Peruvian Government that the deposits in the Swiss bank were vulnerable to embargoes and it was recommended that they be transferred to Lima. The magazine also said that converting a substantial portion of the Peruvian reserves into gold could also be dangerous due to the declining price of the metal as well as the loss of some $40 million per year that the government would no longer receive in interests (8 percent) on these deposited reserves.

FRENCH ACCEPT REDUCTION IN MIRAGE PURCHASE

PY221625 Lima Panamericana Television Network in Spanish 0200 GMT 22 Feb 86

[Text] The French Government today informed the Peruvian Government that it is willing to help iron out the problems surrounding the purchase of 26 Mirage jets. [Peruvian Foreign Minister Allan] Wagner talked to Panamericana Television at the end of an unscheduled meeting he held this afternoon with his French colleague, Roland Dumas, a little while before taking the plane that will bring him back to Lima. Let's listen to the exclusive interview Foreign Minister Wagner granted to Enrique Villela:

[Begin recording] [Villela] Hello, is this Foreign Minister Allan Wagner?

[Wagner] Yes, who is speaking?

[Villela] We are speaking from Panamericana Television Network.

[Wagner] Good evening, how are you?

[Villela] Good evening, sir. We understand that the French Foreign Ministry has already made a decision regarding a revision in the contract for the purchase of the Mirage jets, pertaining to Peru's decision to reduce the number of jets to be purchased. We would like to learn some more about this and your views on this issue.

[Wagner] I will be very glad to do so. I have just held another meeting which lasted a couple of hours with French Foreign Minister Roland Dumas. During the meeting he officially informed me that the French Government has accepted Peru's proposal to reduce the number of jets that were ordered by the previous Peruvian Government, as was announced by Peruvian President Alan Garcia in his inaugural speech on 28 July 1985, and that France is willing to find the best suitable solution so that this plan can materialize. We exchanged opinions in this regard with Foreign Minister Dumas, and of course I will inform the president about them. In this regard, I believe that we achieved an important political step since this is the first time the French Government has officially informed us about its political decision to accept President Garcia's proposal and at the same time expressed its willingness to help us in our decision to reduce the number of Mirage jets to be purchased, something that is very important for the development of our country. [end recording]

FINANCE MINISTER ALVA DISCUSSES FISCAL DEFICIT

PY241827 Lima Panamericana Television Network in Spanish 0130 GMT 24 Feb 86

[Interview with Finance Minister Luis Alva Castro by unidentified reporter -- place and date not given]

[Excerpt] [Reporter] Our first question is about an article published in a Lima newspaper stating that the fiscal deficit is so big that it cannot be handled. How true is this statement?

[Alva] Well, it is a statement made about a given period, but I want to point out that no one can make such an emphatic statement based only on hypotheses which will not come true. I assert that these hypotheses will not come true, because we have definitively proven this by closing the 1985 balance practically without a central government deficit. There has been a deficit, but in 1985 it was balanced; from January to December the deficit was 0.2 percent -- almost zero.

This proves...[Alva changes thought] because it has also been said in the past that the 1985 [year as heard] deficit would be very big. It will not be so; I have great hope and faith that from the fiscal and financial point of view the productive sector will respond to the effort and sacrifice announced by President Garcia to all Peruvians, in order to steadily revive the national economy. And we believe it will be like that, because we know all Peruvians, particularly the businessmen, understand that it is necessary to put the productive sectors into operation, to revive the economy, and to create productive jobs, as we Peruvians have so long expected. This will work out, the fiscal revenues will improve, and what is now an initial sacrifice will bring about positive responses and will benefit the great majority of Peruvians.

PAPER VIEWS SANGUINETTI-ALFONSIN MEETING

PY241515 Madrid EFE in Spanish 0223 GMT 23 Feb 86

[Text] Montevideo, 23 Feb (EFE) -- The newspaper EL PAIS today noted that the political will of the Uruguayan and Argentine presidents "to confront bureaucracy and private interests" in Argentina will result in more dynamic bilateral trade. In its regular political commentary column entitled "The Back Room," the influential Montevideo newspaper stressed that yesterday's economic negotiations between Uruguayan President Julio Maria Sanguinetti and Argentine President Raul Alfonsin were characterized by "give and take and an inch-by-inch struggle." The columnist said: "The presidential summit yielded positive results because the presidents imposed their strong political wills."

EL PAIS added that "first the experts and high-ranking government officials and then the presidents themselves repeatedly collided with the opposition of different Argentine sectors." The newspaper noted that the commitment that the two presidents signed in May 1985 in the city of Colonia -- through which up to 5 percent of Uruguayan products are allowed to enter the Argentine market duty-free "almost fell through." The Colonia agreement was opposed by Argentine businessmen, and trade was carried out with much difficulty, according to what Uruguayan exporters have repeatedly reported.

The Montevideo newspaper reported today that "the Uruguayan president was not in an optimistic mood as he entered the Olivos presidential residence (in Buenos Aires)." EL PAIS stressed that at the Sanguinetti-Alfonsin meeting "a change of course changed the situation (regarding bilateral trade) and the doors have again been opened" for Uruguayan products on the Argentine market.

SENATE REJECTS TWO AIR FORCE PROMOTIONS

PY211313 Montevideo Radio El Espectador Network in Spanish 0930 GMT 21 Feb 86

[Excerpt] The Senate has rejected the promotions of two Air Force generals that had been decreed by the executive branch. The National Party and the Broad Front approved a motion rejecting these promotions. After a 2-hour debate, the Colorado Party voted against the executive branch decision. Moreover, it was decided that the legislators' position regarding the enforcement of Act No 19 will be submitted to the executive branch. As has been reported, in keeping with Act No 19 President Sanguinetti promoted Air Force Colonels Pache and Orique to the rank of general.

VARIOUS SECTORS SUPPORT PRESIDENT'S ECONOMIC PLAN

PA241552 Mexico City XEW Television Network in Spanish 1300 GMT 24 Feb 86

[Excerpts] President Miguel de la Madrid's speech favoring economic adjustment and the negotiation of the Mexican foreign debt is receiving increasing support. The organized labor movement expressed its support after an almost 2-hour meeting of the 34 organizations that comprise the Labor Congress. They pointed out that the drastic drop in oil prices and the lack of solidarity from the industrialized countries have led to the worsening of the economic problems of the creditor [as heard] nations, including Mexico. The Labor Congress warned that if reasonable measures are not adopted, the financial world and Mexico might experience an unprecedented crisis. Regarding the foreign exchange policy, the Labor Congress stressed that there must be reformulation and strengthening of the measures to avoid flight of capital, speculation with the exchange rate, and inflationary repercussions.

The oil workers union has also expressed its support for President Miguel de la Madrid's speech to the nation on Friday. Here is report by Genaro Arco, correspondent in Tamaulipas:

[Begin recording] The oil workers union has expressed its full support to President De la Madrid. Joaquin Hernandez Galicia, director of social projects of the Pemex union, said that the oil workers' loyalty to the Mexican president is not in doubt nor does it have to be discussed because it is a lifelong commitment of those who work in the important industry.

Hernandez Galicia issued a call for unity around President De la Madrid. Speaking before Jose Santos, secretary general of the oil workers union, Senator Salvador Barragan Camacho, and 12,000 oil workers, he urged the Pemex leaders to reduce superfluous expenses. Now is the time to be patriots not just of word but of deed, he said. [end recording]

On his part, Nicolas Madahuar, president of the Confederation of National Chambers of Commerce, Concanaco, said that the government maintains firm and sure leadership. The Concanaco president said that the chambers of commerce support the president's position on the external sector. He said that President De la Madrid's speech gives confidence to the Mexican people and permits the drawing up of medium-term plans to cooperate with the government and its administration. Madahuar attended the swearing-in of Jose Chapul as new president of the Yucatan Chamber of Commerce.

EXPORT OIL PRICES TO BE ESTABLISHED DAILY

PA230444 Paris AFP in Spanish 0329 GMT 23 Feb 86

[Text] Mexico City, 22 Feb (AFP) -- Mexican oil export prices will be established on a daily basis, according to the quotations for the most marketed crude oil on the international market, effective 1 March, it was reported today by Pemex.

Until now, each month Mexico announced the oil prices that it would enforce on a retroactive basis.

Pemex stated in a communique that the adopted measure does not mean it will abandon the permanent contracts with its clients, and it does not represent a participation in the spot market.

Every month the state-owned enterprise will report the average prices established for each of the regions in the world where it sells its oil.

Pemex, the communique concluded, was compelled to modify its price policy due to the unstable crude oil market, but its export level, which was established at 1,500,000 barrels per day, will remain unchanged.

SOVIET AMBASSADOR ON TRADE TALKS, U.S. POLICY

FL241956 Mexico City NOTIMEX in Spanish 1825 GMT 22 Feb 86

[By Blas Alejo Buendia]

[Excerpts] Mexico City, 22 Feb (NOTIMEX) -- Soviet Ambassador to Mexico Rostislav Sergeyev said in an interview that Mexico and the Soviet Union will continue, as they have for years, developing a mutual economic-trade cooperation. Some programs may become operational this year and may help Mexico in controlling its economic crisis, said Sergeyev.

The ambassador said Mexico and the Soviet Union will form a joint trade commission in which economic aspects will be studied. Sergeyev did not indicate what projects this would include, but he confirmed that there would be trade negotiations between the two countries within the next few months.

In reference to the Central American conflict, the ambassador was asked: What would be the most suitable road the two superpowers could take to achieve peace in the area, and what should the Contadora Group do in this respect?

Sergeyev said: The Soviet Union is in favor of a peaceful solution in Central America. We think, he said, that the Central American conflict is part of a policy of pressure and threats, especially against Nicaragua, where foreign forces are trying to intervene in their affairs and impose a foreign order to that country's people, depriving them of freely selecting their own destiny.

He affirmed that the Soviet Union is respectful of sovereign rights and expects a just political arrangement to end the warlike situation in Central America.

In reference to the Contadora Group, the ambassador praised Mexico's position that, along with other countries like Colombia, Venezuela, Panama, and a support group of nations is trying to settle the situation peacefully by negotiations but without interfering in the domestic affairs of the area countries.

The diplomat stressed: The Soviet Union feels that the East-West conflict is not reflected in Central America. Sergeyev said this theory, which has just recently developed, is totally false and is being made to disorient the governments of the world. On the use of science and technology in space, the ambassador said: The Soviet Union has had a program for the peaceful development of space since 1985.

Sergeyev said on 20 February that the Soviet Union launched a new space vehicle for peaceful purposes as its name indicates. Its purpose in space will be to conduct social experiments, not military, said the ambassador.

The Soviet diplomat said that the United States is, however, preparing a program for the military use of space. The Soviet Union, he said, is completely against this type of program and we have proposed a counterprogram.

We have agreed, said Sergeyev, to develop a better technology along with the United States for the benefit of the human race.

A few years ago, said the ambassador, we had joint projects with U.S. astronauts and after the first achievements were made by the two countries, the United States unexplainably interrupted the normal process. Currently, he said, we have proposed that the United States continue with that joint program for the peaceful use of space.

Nevertheless, when asked about the U.S. program called "star wars", Sergeyev said: The United States is trying to begin a new round of the arms race in space. It is very dangerous to have this type of program, he said. The placement of rockets and other cosmic apparatus for military use would create a direct threat not just for the Soviet Union, but for the rest of the world, he added. That is why the Soviet Union is against the "star wars program", concluded the Soviet ambassador.

INDUSTRIAL PRODUCTION ACHIEVES 6 PERCENT GROWTH

PA211947 Mexico City EL DIA in Spanish 15 Feb 86 p 8

[By Maria de Jesus Espinoza]

[Text] According to a preliminary estimate made by the National Bank of Mexico, Banamex, the growth of industrial production in 1985 was 6 percent, which means that there was a slight slowing of the rate of growth, which had been 6.3 percent until November. The report adds that manufacturing, the main activity of the industrial sector, had an 8 percent growth during the year.

The decline in the industrial growth rate was caused by a reduced production of automobiles, household appliances, beer, steel, iron and steel products, and electricity.

According to Banamex specialists, automobiles had the biggest increase in the manufacturing industry, despite a 54-percent average increase in their prices.

Second were electronic equipment and household appliances which also had a 50-percent price increase. Beer, with a 60-percent price increase, also gave a good showing.

This means that liquidity remained high, although there was an increase [repunte] in the exportation of some items. [sentence as published] The production of goods such as cement; chemical fibers; and steel plates, sheets and bars exceeded the 1984 figures by 6 - 15 percent. However, iron and steel products for construction declined.

Likewise, crude oil extraction reached 2.194 million barrels a day, an increase of 1 percent over 1984. The production of hydrocarbons grossed 0.7 percent more, while the decline in gasoline, fuel oil, and jet fuel [turbosinas] was offset by the increased production of diesel and liquified gas.

Finally, the report points out that the added value generated by the assembly plants was $114 million as of September, which is 11.3 percent higher than in the same month in 1984. The total revenue from this sector was $997 million. Thus, it can be anticipated that by the month of December, the $1.3 billion goal for the whole year will have been reached.

DEMONSTRATORS PICKET U.S., HAITIAN EMBASSIES

PA241311 Panama City LA PRENSA in Spanish 23 Feb 86 p 2a

[By Allan Perez]

[Text] Members of the Panamanian Committee Against Repression and for Human Rights have picketed the Embassies of the United States and Haiti to demand the repatriation of former Haitian President Jean-Claude Duvalier to put him on trial for the crimes he has committed.

The picketing began at approximately 1230 in front of the Haitian Embassy, located in the San Antonio Building, in front of the Granada Hotel. Later, the picketers went to the U.S. Embassy.

Speeches were delivered by Abraham Bell, a professor who spoke on behalf of the Patriotic Civic Committee Against Fraud; Roberto Arosemena Jaen, member of the Popular Action Party; and Nelson Reyes, of the Socialist Workers Party.

All the participants called for an end to U.S. aid to the Philippines and other dictatorial regimes supported by the giant to the north.

The picketers seriously questioned U.S. meddling in the domestic affairs of Panama, as well as General Manuel Antonio Noriega's relations with top U.S. authorities, relations that weaken the integrity of the Panamanian people.

The demonstrators were carrying posters with slogans against gringo repression. One poster said: "Yankee hands out of Haiti, the Philippines, and Panama."

At both picketing sites, the presence of Armed Forces traffic policemen and G-2 [military intelligence] units was evident. No incidents took place, though.

Duvalier left Haiti on 7 February in a U.S. Air Force plane to receive temporary asylum in France, thus putting an end to a family reign that lasted 28 years.

SECURITY COUNCIL TO DISCUSS DAVIS' STATEMENTS

PA250233 Paris AFP in Spanish 0027 GMT 25 Feb 86

[Text] Panama City, 24 Feb (AFP) -- Panamanian Foreign Minister Jorge Abadia reported today that Panamanian President Eric Delvalle will convoke the National Security Council tomorrow to analyze "the seriousness" of recent statements by Arthur Davis, the new U.S. Ambassador to Panama, on Panama's domestic policy. On leaving the presidential palace this afternoon, Abadia said that the council will consider the possibility of declaring Davis persona non grata and withdrawing the Panamanian Government's approval of his designation.

It has been reported that several sectors have requested this, including the Torrijist ruling majority party, the Democratic Revolutionary Party. After a cabinet meeting that evaluated the official transcript of Davis' statements, Abadia said that the statements are being duly considered.

Davis said in the United States that when he arrives in Panama "he will persist" until the murder of ex-Health Minister Hugo Spadafora, killed in 1985, "is clarified" and until "the civilians rule over the military."

On behalf of President Delvalle, Abadia appealed to the people "to stay united to safeguard dignity and prevent intervention in our domestic affairs at all costs."

In addition, Colonel Roberto Diaz Herrera, Defense Forces' chief of staff, has indicated that the military is on the side of President Delvalle and Foreign Minister Abadia.

The security council is formed by President Delvalle, the Defense Forces' commander in chief, the head of military intelligence, and the foreign, planning, government, and justice ministers.

PRD Communique Rejects Remarks

PA221810 Panama City LA ESTRELLA DE PANAMA in Spanish 22 Feb 86 p 1

[Communique issued by the National Executive Committee of the Democratic Revolutionary Party (PRD) in Panama City on 21 February 1986]

[Text] The Panamanian people have learned with general disgust about the unheard-of statements made by the new U.S. ambassador to Panama, Mr Arthur Davis, to a U.S. Senate subcommittee. Information in these statements was based on reports in a local newspaper known to be tendentious. This newspaper, with shameless satisfaction, has not duly and patriotically rejected Mr Davis' irresponsible statements, but on the contrary has extolled them.

The statements by the new ambassador, as well as the attitude of that newspaper, deserve a strong rejection by all Panamanians. According to that newspaper version, the appointed ambassador used proconsular and disrespectful language that affects national dignity and is unbecoming to U.S. diplomatic standards.

According to the source, Mr Davis "warns" the Panamanian authorities about what they should and should not do and bases his opinion on the falsehoods and slander spread by that newspaper. Mr Davis flagrantly meddled in Panama's domestic affairs, which are the exclusive concern of our people and their constitutional authorities only.

Those statements are an expression of the campaign that a State Department sector has mounted to force us to accept unpopular demands on how to conduct Panama's policies. This is part of the same plan calling for aligning Panama with a warmongering strategy aimed at creating the conditions for an intervention in Central America. This campaign is being waged with the complicity of an antipatriotic local group that dedicates itself to conspiring at the side of certain U.S. authorities.

In defending national dignity and the honor of all Panamanians, the PRD condemns the meddling arrogance of the designated ambassador and repudiates the lack of patriotic dignity of the editors of the newspaper. This nation has a lengthy and heroic history that speaks of a people who defend their sovereignty. The Torrijists will never allow the smearing of the nation's dignity, and we will demand, as always, the most absolute respect for the domestic affairs of the country, because we are not and we will never be a colony or a protectorate, regardless of what foreign power or what domestic servant may want to subdue our fatherland.

This is the country of the Panamanians, and the Panamanians only. We will never renounce our inalienable right to decide, with independence and dignity, on what the nation's future will be.

Union Condemns Statements

PA231345 Panama City LA REPUBLICA in Spanish 22 Feb 86 pp 1, 16

[Text] In a communique issued this morning, which appears below, the Union of Natural Leaders [Union de Dirigentes Naturales] through its president, Ramon Ashby, has said:

Recent statements by Mr Arthur Davis constitute disrespect for the self-determination of the peoples and open meddling in the internal affairs of our country.

This man's statements definitely violate the most basic norms of contemporary diplomatic ethics which call for respect in every sense for the decisions of any nation in the world.

Without having arrived in Panama yet, much less having presented his credentials, this man has the boldness to make statements that are completely false regarding the situation in which we live, based perhaps on publications made abroad by the most recalcitrant enemies of all Panamanians.

We still cannot understand how a person who will represent the most powerful nation of the world, which has a reputation of maintaining pure diplomacy, can make statements without first getting firsthand information about the real situation in our country.

We realize that to exercise a post of this nature one must have an overall picture of the country and its region, but to say that citizens' most basic rights are violated in the country is inconceivable.

How can Mr Davis say that the Defense Forces are linked to drug trafficking? It is obvious that this man has not seen publicized notes and messages sent by U.S. authorities, directors of organizations which are carrying out a courageous effort against drug trafficking, praising our country and especially our Defense Forces for their contribution to the war against drug trafficking.

Our position as a sovereign country cannot allow opinions from a diplomat who leaves a lot to be desired, no matter from what country, to meddle in affairs that pertain only to Panamanians, much less if that person is trying to sow hatred among brothers.

The climate of peace that we are enjoying is not a reality based on the action of a magic wand. It happens that understanding and dialogue maintain stability in Panama, and this sets it apart from neighboring states. We will not allow elements foreign to our country to come and break up and destroy what we are enjoying: peace and calm.

Davis Called CIA Agitator

PA241425 Panama City CRITICA in Spanish 24 Feb 86 p 32

[Report by Mario Martinez Puente: "Davis Is an Assassin"]

[Text] Eduardo Rios, union leader and current coordinator of the National Council of Organized Workers, Conato, said on Saturday that Arthur Davis, the new U.S. ambassador to Panama, is responsible for many assassinations in Paraguay and other Latin American countries.

Referring to the "diplomatic career" of the recently appointed ambassador to our country, the Conato coordinator said that Arthur Davis "is one of the best men of the U.S. Central Intelligence Agency, CIA."

Davis is an expert in agitation and has shown this when he practically organized the latest election of Paraguayan dictator Alfredo Stroessner, the union leader added.

Rios predicted that the new Yankee ambassador is coming to our country to carry out agitation efforts to instigate chaos and thus promote efforts to seize the government by unpatriotic sectors allied with the U.S. Army stationed in Panama.

"Ambassador Davis is coming to carry out a task that is very usual for him -- the only one he knows -- just as he recently did in Paraguay," Rios said.

The Conato coordinator said that in view of this situation, the national government should take urgent measures and not permit Davis to use the Southern Command bases to arrive in the country.

"Let Davis enter the country through the Omar Torrijos Herrera Airport, and let the Panamanian people know the exact day and time of this arrival so that in a huge demonstration we can tell him to go back to his country, because we do not want him here," Rios added.

Conato Rejects Davis Appointment

PA232216 Panama City LA REPUBLICA in Spanish 23 Feb 86 p 1

[By Ruth Rodriguez de Navarro]

[Text] Various Panamanian sectors have expressed displeasure over statements issued by Arthur Davis, the U.S. ambassador-designate to Panama, who has yet to arrive in our country, but who is already stating his views about matters that are strictly the Panamanian people's business.

LA REPUBLICA discussed the issue with Dulcidio Gonzalez, current president of the National Council of Private Enterprise (CONEP). Although he issued his statement as a Panamanian and not as spokesman of the private sector, he said that if Davis truly made these statements, "one must necessarily note great displeasure for the lack of tact and education in a person whose main role is to improve relations between the United States and Panama." He added that the role of an ambassador implies great tact, politeness, and understanding of Panamanian reality and the importance of Panama's geographic area.

Likewise, Eduardo Rios, leader of the National Council of Organized Workers (CONATO), said that Davis' statements are nothing but a series of measures that the United States has been adopting to destabilize the country. He added that Davis' statements are nothing new, "because the opposition in our country has been saying the same thing. Therefore, we know that whatever the opposition says or does comes in their instructions from that country."

Rios added that Conato's stance is that the Panamanian Government should not give its approval for the appointment of the U.S. diplomat "who cannot talk about democracy because he has been a close collaborator of Alefredo Stroessner -- president for life in Paraguay -- and they do have political prisoners and missing people in that country. There are none here in Panama," he said.

Spadaforas Endorses Davis

PA241618 Panama City LA PRENSA in Spanish 24 Feb 86 p 22 A

[Column by Winston Spadafora F.: "Mr. Davis: Persona Non Grata. To Whom?"]

[Text] The officialist ne'er-do-wells do not realize that the opinion voiced by Mr Davis before the U.S. Senate subcommittee for Latin America was merely in answer to questions asked him by the Democratic and Republican senators who make up that subcommittee, at a hearing that constitutes the first step in his ratification by the Senate as new ambassador to Panama. There is a reason for the concern of the U.S. senators: Panama and the United States, by virtue of the Torrijos-Carter Treaties, are partners in an enterprise highly important to both countries, as its security and operation run the risk of being disturbed should the current situation in Panama continue, taking into account the right to intervene we granted them.

That is the reason for the questions of the senators and the sincere answers of Mr Davis, which have stirred sudden reactions on the part of the national government and its supporters. I imagine Mr. Davis must be th inking that if they are capable of declaring him, the representative of their principle partner, persona non grata for the mere fact of expressing his opinion on human rights in Panama, what would they not be capable of doing to the Panamanians who criticize them daily?

The purpose of this article is to establish to whom Mr Davis is persona non grata. We think that:

1) Mr Davis is persona non grata to the leadership of the PRD [Democratic Revolutionary Party], that group of parasites of the national treasury, who have noticed a change of attitude in U.S. foreign policy, which constitutes a repulsion of totalitarian regimes, such as that of Panama; a policy which these parasites fear as they contemplate their privileges, sinecures, handouts, deals, and other practices, to which they have become accustomed all these years.

2) Mr Davis is persona non grata to the new millionaires of the process who, fearing the imminent return of democracy in Panama, fear the weight of justice due to their failure to justify the assets and huge fortunes amassed at the cost of our foreign debt and through shady dealings.

3) Mr Davis is persona non grata to the material and intellectual authors, accomplices, and protectors in the dastardly murder of my brother HUGO SPADAFORA FRANCE [upper case as published], who see in the new ambassador a real and genuine defender of justice and human rights, which have been systematically violated in Panama.

4) Mr Davis is persona non grata to the protectors and harborers of drug traffickers in Panama, who worry about the position of the new ambassador, which could jeopardize their million-dollar dealings. Everyone knows that Noriega and Delvalle protect the well-known drug-trafficker SEBASTIAN GONZALEZ, "GUACHAN," [upper case as published] who is wanted by Costa Rican court authorities and who lives duly protected here in Panama.

5) Mr Davis is persona non grata to those who a few months ago dared to declare Msgr Sebastian Laboa, apostolic nuncio of the His Holiness John Paul II, persona non grata.

6) Mr Davis is persona non grata to UNADE [Democratic National Unity] legislators, unconditional servants of the military.

7) Mr Davis is persona non grata, of course, to Noriega and the corrupt miltary command, who are well aware of his democratic and antimilitary position and of his experience as ambassador to Paraguay.

These, then, are the indecent minority of this country, who in a display of false patriotism publicly launched the idea of declaring Mr Davis persona non grata; but we all know that they will never dare do so, for they fear to displease the colossus of the North which, one way or another, has so far supported them.

Although one or another ambassador is the same to us, since our democracy, like that in Haiti and the Philippines, will be won here, not in Washington, you may come without fear, Mr Davis, because the decent people of Panama -- thank God we are a majority -- will greet you as we have always welcomed all ambassadors who love democracy and defend the human rights, and we know you are one of them.

COSTA RICA

AUTHORITIES CAPTURE NICARAGUAN REBEL COMMANDER

PA240329 Panama City ACAN in Spanish 2251 GMT 23 Feb 86

[Text] San Jose, 23 Feb (ACAN-EFE) -- It was officially reported today that Costa Rican authorities have captured anti-Sandinist Commander Alvaro Cermeno on a highway close to the border with Nicaragua.

Cermeno, known as Commander "Tadeo," was travelling in a four-wheel drive vehicle between Florencia and El Muelle in Costa Rican territory. He was captured this weekend by members of the Intelligence and Security Directorate (DIS) and the rural police (GAR).

"Tadeo" was carrying an Egyptian-made machine gun with 15 rounds of ammunition. He was accompanied by Costa Rican citizen Roger Martinez Robelo, who was also arrested by the authorities.

For a long time, Commander Cermeno was Eden Pastora's (Commander "Zero") second in command, but he became separated from the leader of the Democratic Revolutionary Alliance (ARDE) and nothing was heard from him until his capture. "Tadeo's" legal status in Costa Rica is still uncertain, but first he will be charged with possession of weapons, according to official reports.

In addition, members of the Immigration Department near the Nicaraguan border have reported the arrival of more than 30 refugees, including children, women, and men all in very poor health.

It has also been reported that eight anti-Sandinist defectors turned themselves over to the border police Friday.

Clandestine informers of the "contras" in this capital have said that columns loyal to Pastora are struggling to retake the positions that the Sandinist Army took from them 9 months ago.

The positions they mentioned included La Penca, where Commander "Zero" nearly lost his life on 30 May 1984 during the most serious attempt on his life since he became a guerrilla. In this terrorist action, executed by a man posing as a journalist who identified himself as Pier Anka and who has not yet been captured, two Costa Rican journalists, an American journalist, and at least 10 members of Pastora's personal guard were killed.

After capturing "Tadeo," the police carried out a broad sweep of the border area to make sure that no other Nicaraguan rebels have infiltrated Costa Rican territory and that if any are found they will be captured, according to official sources.

BRIEFS

1985 REGIONAL TRADE SURPLUS -- San Jose, 18 Feb (AFP) -- The Ministry of Economy and Commerce reported that in 1985 Costa Rica achieved a $54.1 million surplus in its trade relations with the Central American countries and with Panama. Costa Rica exported $169 million to Central America; whereas its imports from the area amounted to $114.9 million. The only deficit recorded by the Costa Rican trade was in its exchange with Guatemala. This deficit was in the amount of $9.1 million. [Summary] [Paris AFP in Spanish 1615 GMT 18 Feb 86 PA]

EL SALVADOR

DUARTE PINPOINTS COUPIST SECTOR, DEFENDS REFORMS

PA232042 San Salvador EL MUNDO in Spanish 21 Feb 86 p 2

[Text] "There is a sector -- perhaps the most radical sector of the Coffee Producers Association -- that has been acting antagonistically, making public statements to newspapers calling for a coup d'etat and appealing to the Armed Forces. You can see this in all the newspapers. It is there." This is how President Jose Napoleon Duarte responded to a journalist who asked him what sectors had been visiting military people asking them to carry out a coup d'etat.

Duarte made this statement yesterday as he was leaving a meeting of the Association of Cooperatives of Integrated Agricultural-Livestock Products, Acopai, in Santa Tecla. Acopai was celebrating the eighth anniversary of its foundation. The chief of state arrived in Santa Tecla with Minister of the Presidency Dr. Jorge Eduardo Tenorio, and his recently-appointed private secretary Jose Ricardo Perdomo. Duarte delivered a speech to his Acopai audience. During the speech, the president said that he will continue working to strengthen agrarian reform and that this year he plans to deliver 10,000 land titles to as many peasants, "even if the sectors opposed to agrarian reform and to Decree 207 disagree." Referring to the sectors opposed to this reform, Duarte said: "They are the same people who complain the most about there being some 10,000 Salvadorans in the mountains with their rifles because they were frustrated and have become radicals. They also complain about all the death and destruction that our fatherland has endured."

Referring to other reforms the government has implemented, Duarte said democratic reform is one of the most important because its purpose is to find peace for El Salvador. Therefore, he said, this reform must be "irreversible," and to achieve this it is necessary to strengthen not only agrarian reform but also the banking and foreign trade reforms.

One cannot live with hatred, Duarte said. In order to be able to live in peace, the democratic reform process calls for "respect for everybody's right to an opportunity." He added: "For this reason, when someone asks me why I allow people to insult me and newspapers to show disrespect and people to demonstrate on the streets, causing destabilizing conditions, I tell them that all men have the right to demonstrate and to state their opinion, and this is part of democratic reform." The president promised the leaders of Acopai that he would fully support them so that they may go forward with the agricultural and livestock production and help pull the country out of the crisis it is now enduring.

Currently Acopai includes 166 cooperatives and some 20,000 members, according to what was said at the anniversary celebration, which was organized by the top leaders of the peasant organization, Jose Orlando Arevalo, president; and Pedro Perez Hernandez, vice president.

CASTILLO DESCRIBES NATION'S 'IMPROVED' IMAGE

PA230430 San Jose RUMBO CENTROAMERICANO in Spanish 14-20 Feb 86 pp 10, 11

[Text] The international image of El Salvador has improved despite a bloody past, a war that has lasted 6 years, rebel ties with the Socialist International and the importance of this group in Europe, questionable respect for human rights, and the fact that the country returned to an institutional regime only 2 years ago.

Those are the thoughts of Rodolfo Castillo Claramount, Salvadoran vice president and foreign minister, who commented "mostly on the credibility that our administration now enjoys in the eyes of democratic governments throughout the world."

"That trust brings about political support and economic cooperation initiatives," among which he mentioned German and U.S. aid and agreements signed with Argentina and Venezuela.

Castillo, a member of the Salvadoran Christian Democracy for 24 years and a former deputy, took over the vice presidency in 1982 and the Foreign Ministry in 1985, replacing Jorge Eduardo Tenorio.

RUMBO CENTROAMERICANO met him at the Salvadoran diplomatic headquarters in San Jose, where he visited while serving as an observer for the Costa Rican electoral process that ended on 2 February with the election of Social Democrat Oscar Arias.

"Undoubtedly, not everything can be seen yet through rose-colored glasses," he added, explaining that "a civil war and doubts surrounding the issue of human rights still loom ominously over the country's image." On the issue of human rights: "We are the target of an audit and an annual UN investigation; however, it becomes clearer each day that we are making progress within that forum." He said that the issue of human rights is a priority of the government of Jose Napoleon Duarte.

As evidence of his belief in the improvement of El Salvador's image, he cited the case of Spain. "That country had assumed a very critical position toward our process and expressed absolute support for the Nicaraguan process. The opposite is true now."

In his opinion, the kidnapping of Ines Guadalupe, the president's daughter, by the insurgents in November 1985 [date as published] was a determining factor for this change in attitude. That incident "was part of an eminent terrorist strategy. The FMLN-FDR have tried to give that action a political and military connotation, but their maneuvering has received no support."

"That attempt is increasingly clear in the action of the military and political hierarchy of the guerrillas, but we can see how their struggle is not making any sense, because it has little historical and ethical justification." He added that they do not enjoy popular support and cited Mao Tse-Tung: "There is no revolution without a revolutionary people."

"To plant mines on highways and in cultivated fields, blow up bridges, destroy power pylons, and coldly kill a group of defenseless people in a restaurant are not military actions either. That is terrorism," he insisted. In his opinion, that kind of behavior cost the rebels the friendship of other Socialist International leaders, besides Spanish Prime Minister Felipe Gonzalez. Among those leaders he mentioned Venezuelan Carlos Andres Perez who "had clearly supported the rebels, but had the bravery and manly courage of rectifying his stand; he is now one of their strongest critics. It is noteworthy to mention that Perez also changed his position toward the Nicaraguan process."

He added: "However, others like Swedish Prime Minister Olof Palme have not followed suit." Upon being asked about Willy Brandt he replied: "I do not wish to offend anyone, but he is behind the times when it comes to his analysis of values regarding current events in Latin America, and, specifically, in El Salvador and Nicaragua." According to the Salvadoran Foreign Minister, Palme's attitude "is a very comfortable one because it allows him to maintain the image of a romantic revolutionary" which, according to Castillo, reflects "a lack of responsibility, all the more so coming from a man who has been or wishes to continue being a world leader."

Castillo then recalled an expose he made before leaders of all Italian political parties during a trip to that European nation in November 1985. He said that he recommended a joint discussion of issues between the highest-level representatives of the main international political groups such as the Socialist, Liberal. Conservative, and Christian Democratic Internationals.

He also suggested visits to the area to gather more objective information to ensure that those leaders do not base their decisions on references which "are always motivated by some kind of interest."

Due to the apparent official Nicaraguan aid to the Salvadoran rebels, which has been reported on various occasions by Salvadoran authorities, Castillo Claramount was asked about the issue, specifically regarding the rather peaceful manner in which the Duarte regime has acted in response to this situation.

"We", he began explaining, "are struggling to democratize our society, which is a very difficult and painful process that is costing us a great deal. We are not willing to lend ourselves to destabilization games and deep down it does not matter to us that the Nicaraguan regime wants to develop a socialist model."

Nevertheless, he insisted once more on the aggression his country has been subjected to by the Sandinists. "We demand a public and real commitment by the Nicaraguan Government, aimed at not helping the guerrillas materially and politically."

After saying that he trusts the Contadora Group has "instruments capable of correcting" the problem, he said that the reason for the group's existence is "its realistic search for conditions that will guarantee peaceful coexistence in Central America."

"The only thing needed to create this situation is for Nicaragua to begin a process of democratic rectification, in keeping with the commitments it established with the OAS in 1979."

If this does not take place, Castillo Claramount believes that there will be no possibility of the area countries coexisting without a war.

The results of the peace-making effort, he added, depend on the creation of a document capable of guaranteeing juridical rules and political decisions aimed at achieving "the necessary space for the establishment of cordial relations among the nations on the isthmus. This means deepening and broadening the democratic processes in the region."

He admitted, nevertheless, that "although it would have been desirable," until now Contadora has not played any role nor has it shown any interest in playing a role in the efforts to reinstate and consolidate democratic regimes made by Guatemala, El Salvador, and Honduras.

Castillo Claramount was asked if his country is willing to maintain its position while the peace-making group continues searching for a solution.

"We are not going to change," he answered. "We are not going to try to destabilize the Nicaraguan regime, nor are we willing to adopt an adventurous attitude in Central America. That would be irresponsible because it could make the situation escape Central American control, and there is no doubt about the struggle over interests among the great powers in the midst of all of this."

El Salvador also has an old conflict with Honduras over border issues. Because of this, the two countries went to war in July 1969. The armed clash ended thanks to OAS intervention on 30 July 1969. This organization's good offices, and that of a few other Central American countries led, in 1980, to the signing of a general peace treaty which, the foreign minister recalled, delineated approximately 70 percent of the border.

The remaining percentage, he said, was to be established within the 5 years following the signing of the treaty, which also established a 6 month period after the 5-year period to conclude the final details.

"This is what we are doing now. Never before have we been this close to a solution. Every month representatives from the two countries meet to make agreements regarding the procedures we will employ at the International Court of Justice in the Netherlands."

Once the 6 months have passed, the case will be taken to that organization.

The Salvadoran foreign minister referred to the "misfortunes" that emerged between 1980 and 1985, such as the political instability in his country and more recently the electoral process in Honduras.

He also revealed the possibility of arranging part of the conflict during these 6 months through a bilateral arrangement that the Salvadoran Government has already addressed.

On 27 September 1985, a little more than 2 months before the period established by the 1980 peace treaty expired, the Duarte regime presented an initiative in this regard to Tegucigalpa, stating that after studying each country's position the remaining border area could be delineated. This border area basically includes the Golfo de Fonseca, which is shared by El Salvador and Nicaragua and which for Honduras constitutes "an old dream of having a path to the Pacific."

His government's offer, Castillo Claramount said, is aimed at fulfilling this desire but there are difficult aspects that must be dealt with and we will still "have to go to The Hague."

In terms more general than those used in regard to foreign policy, this interview touched on economic issues such as the new Central American tariffs, the economic measures adopted in January by the Salvadoran Government, and the foreign debt.

The vice president believes that the new tariff rates will contribute to the structural adjustment the impoverished Central American economies are trying to achieve "if what they are trying to achieve are their own development possibilities, increased production, and new markets."

"Of course, no matter how technically perfect the agreement is stated, it will not be very successful if it is not responsibly fulfilled, as it is said is happening."

Regarding the "package" of measures adopted last January by the regime, which includes a 100 percent devaluation, an increase in the costs of various public services, and salary adjustments, among others, the official explained that it is an effort to reorganize the Salvadoran economy.

"As an example I will use Costa Rica, a country that has gradually achieved this because it imposed a quota of sacrifice on the people, who understood this as such. We are trying to do the same thing, and with more of a reason because we are in the midst of a war that costs us 2 million colones daily."

Castillo Claramount said that he favors the possibility of a regional arrangement in Central America for the payment of the foreign debt.

He mentioned that in this regard he has been informed of an initiative promoted by Costa Rican President Luis Alberto Monge.

He said that his country is willing to support this initiative, and that the same would happen if Costa Rica's new government, which will be installed on 8 May, continues it.

BLANDON ON MILITARY ROLE IN RECONSTRUCTION

PA231656 San Salvador Television Educativa in Spanish 1230 GMT 21 Feb 86

[Text] The ministers of the social sector and the Armed Forces' top command have held a meeting to coordinate efforts for national reconstruction.

The meeting was called to ask the Cabinet to join the United To Reconstruct counter-insurgency campaign that will be carried out by the Armed Forces with the participation of all sectors, General Adolfo Blandon, chief of the Joint General Staff, reported. In addition, he said that this war not only concerns the military sector but all Salvadoran people.

[Begin recording] [Blandon] This plan attempts, as I just mentioned, to join all the efforts because we believe that this war is not only the responsibility of the military sector but that of all civilians. It is also the responsibility of all the state organizations and the private institutions that want to join us in this moment of crisis. We feel that this is the right time for it.

[Question] How will this cooperation with the sectors work, specifically?

[Blandon] First, the Armed Forces will have to fulfill a specific mission, which is to continue the military offensive -- the military initiative -- in a cleanup operation in conflict areas. Then, this will be followed by a phase of consolidation in which we will increase the civic-military operations and psychological warfare. We will also increase our activities in order to encourage towns to get organized in their civil defense. This phase would include the efforts of each of the ministries by reconstructing roads, health centers, and bridges; building more schools, athletic fields, and promoting recreation activities for the community so that we can create an incentive for all those people. In addition, we also seek to return all those displaced to their places of origin. They will be retrained so that they can return to their places to make their parcels of land produce. This was land that they had to abandon because of the war. [end recording]

THOUSANDS MARCH TO PROTEST ECONOMIC MEASURES

PA231720 San Salvador EL DIARIO DE HOY in Spanish 22 Feb 86 pp 5, 15

[Text] Thousands of Salvadorans marched yesterday through the main streets of San Salvador to protest the economic "package" of President Duarte's Christian Democratic government.

The demonstration was convoked by the National Union of Salvadoran Workers (UNTS).

The organizers stated that this demonstration was carried out to reject the unpopular economic measures that the government has imposed on the Salvadoran workers.

However, organizations with a well-known leftist affiliation participated in the demonstration. According to observers, these organizations twisted the objective of the because they added ideological aspects that have nothing to do with the people's rejection of the so-called Duarte's "package."

Our sources have said that there is no justification for having used people who went to the demonstration with goodwill or for having them appear as supporters of positions with which they do not agree.

The foreigners who in recent days have been carrying out public demonstrations thus violating the country's laws, were also present at this demonstration.

The demonstration was attended by labor organizations such as the Salvadoran Workers National Union Federation the Trade Union of Textile, Cotton, Synthetic, Similar, and Related Industries Workers, the National Administration of Waterworks and Sewers, the National Administration for Telecommunications, and Institute of Urban Housing and AGEMHA [not further identified], the University of El Salvador, the Central Organization of Salvadoran Organized Workers, the Coordinating Board of Eastern Region Workers, agricultural cooperatives, associations such as the National Association of Salvadoran Teachers, the General Association of Salvadoran University Students, cooperatives (includint those in the reform plan), university and secondary school students, peasants, artesans, housewives, fishermen, professionals, nurses, professors, and relatives of missing persons.

The demonstrators gathered at 0900 near Cuscatlan Park. At the time that the people heading the march were approaching the National Palace, the end of the march was in the area of the Social Security hospital.

Among the demonstrators were mobile units with loudspeakers. The leaders of the demonstration had megaphones that they used to incite the marchers into shouting watchwords against the government and its economic measures. Some had posters with protest phrases. Others distributed leaflets to bystanders.

Businesses along the march route did not close their doors and the employees stepped out to watch the demonstration.

In downtown San Salvador there was a big traffic jam as a result of the demonstration because many cars, buses, and taxis found themselves in the midst of the crowd.

Since last Monday there had been traffic jams in the area because of the protests against the controversial urban renovation plan for downtown San Salvador but the latest demonstration made the traffic situation worse.

The route of the march took the participants from Cuscatlan Park -- on Ruben Dario Avenue -- to Second South Avenue -- at Catedral -- where the demonstrators turned to get on Juan Pablo II Avenue and then march to the parking lot of the Legislative Assembly.

The leaders of the demonstration told the marchers to disperse at that site to give the visual impression that there were more people than there actually were. The deputies were not at the Legislative Assembly since the special commissions were not working yesterday.

The posters had various messages. Some of them had nothing to do with the protest against the economic measures of the Christian Democracy. One poster said: "Duarte: Give the people a break." Others said: "Yes to peace, no to war taxes," "Death to the Salvadoran Duvalier," "We demand the elimination of the economic package," "The peasants are against the package," "The workers cannot stand the package any longer."

Some of the slogans chanted by the demonstrators were: "Let Duarte eat his package," and "We will throw the package down the drain."

There was another protest two days earlier in the eastern sector of San Salvador. It was carried out by propeace and prowork ladies who pounded pots and pans and carried posters with watchwords against the package. Duarte had said that only this minority was against his government's measures.

A few days ago, the propaganda office prepared a modest demonstration of support for President Duarte as a response to the people's rejection demonstrations of recent weeks. It was highly publicized in the official and semiofficial media. Most of the participants in the support demonstrations were people displaced from their towns [desplazados] and members of the Christian Democratic Party who were brought to the demonstation in state vehicles.

VENCEREMOS REPORTS 129 ARMY CASUALTIES 17-23 FEB

PA241629 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 24 Feb 86

[Text] Radio Venceremos will now present a summary of the main guerrilla actions this past week:

We report to our people that from Monday, 17 February, to 23 February, have inflicted 129 casulaties on the dictatorship. We inflicted 129 casualties in 1 week of guerrilla activity throughout the national territory. We continue to wear out the troops of the puppet Army in Guazapa -- a dagger stuck in the enemy's heart. This past week, FMLN urban commandos blew up several telephone exchange boxes in the center of the capital. We also report that several types of mines, antipersonnel mines, Atlacatl mines, Atcnal mines, and Manuel Jose Arce mines, were used this week to inflict 52 casualties. We inflicted 52 casualties with the use of people's weapons.

We also report that the 129 casualties include 2 lieutenants. This past week we also carried out the important attacks on positions of the puppet Army and paramilitarymen in San Miguel de Mercedes in Chalatenango Department and the victorious action in El Barrancon on the Northern Trunk Highway against troops of the 4th Infantry Brigade.

This past week, we sabotaged dozens of electric power poles and high tension wires as part of our actions to sabotage a war economy that enables Duartism to finance its genocidal operations against the defenseless civilian population.

'GHOSTBUSTERS' COMMANDOS ISSUE COMMUNIQUE

PA231852 San Salvador EL MUNDO in Spanish 20 Feb 86 p 3

[Text] Today, we received a new communique from the so-called Ghostbusters Commandos [Comando Caza Fantasmas -- Cocafan] that claim to operate in the San Salvador metropolitan area and continue to fight groups that are enemies of the nation's social peace and the country's interests.

Part of this communique, signed by Commander X, states: The climate of terror being suffered by honest citizens is due to the action of terrorist groups that are trying to sink the country and destroy the sectors working honestly to save the fatherland from chaos. These groups do not realize that our command is following them and has already located certain individuals whose names are added to the list of the forces that must be defeated by the Army with the help of men who love the nation. These men will not permit our country to be invaded and turned into another Cuba or Nicaragua. These criminal communists are enemies of the people, who want peace, democracy, liberty, and justice.

Our struggle advances. We have skillfully infiltrated sectors in which we can operate without the knowledge of those guerrilla collaborators who kill, destroy, and tear the country apart. They don't realize it until the Armed Forces, with the evidence we send them, act directly and efficiently.

In addition to being willing to fight anywhere the tranquillity of our Salvadoran brothers is threatened, we are struggling against speculators who are sucking the blood of Salvadorans. They don't know that our members have become part of their clientele, in order to establish if there is any abuse and prove that prices are being altered, bringing more hunger and suffering to the most needy classes in this distressed country.

Soon we will give the names of individuals who must be considered enemies of the Salvadoran people instead of redeemers as they falsely keep announcing. These names will include all foreign and local agitators, the speculators, the corrupt individuals, and those who don't think of the pain of a society that deserves to live in peace and security.

GUATEMALA

FINANCE MINISTER DISCUSSES ECONOMIC POLICY

PA241605 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 21 Feb 86

[Text] It was reported today that the Guatemalan Government was offered understanding and financial aid from several international institutions in Washington during a visit to the U.S. capital by Finance Minister Rodolfo Paiz Andrade and Federico Linares, president of the Bank of Guatemala.

The two Guatemalan officials met in Washington with representatives of the IDB, World Bank, IMF, AID, and with the U.S. under secretary of state.

At a press conference this morning, Finance Minister Paiz Andrade said that those institutions have alloted funds for Guatemala, but abstained from mentioning the sums that will supposedly be obtained in the form of credits.

Paiz Andrade only confirmed that the IDB will grant $1 billion, as had been announced here this week by IDB officials.

In sum, the finance minister spoke at length during today's press conference, but said almost nothing specific. He said that the IMF showed understanding toward Guatemala's gradual payment of its financial commitments, adding that the government seeks economic adjustments, but without any haste.

[Begin recording, in progress] ...in the foreign exchange field. The economic adjustments imply restructuring what we have been doing without any positive results. It includes measures in the credit, fiscal, monetary, and price fields; in other words, in all fields. These measures cannot be and should not be improvised or isolated. Some sectors have acted under the (?premise) that measures must be adopted today, tomorrow, or the day after. I believe that measures should be adopted at the right time, when the conditions are right for a specific overall program, and when -- which was the importance of our trip -- we have the necessary funds to carry out a project. Hence, the adjustments must be made at the right time, and on an overall basis. I believe that the measures should not lead to what is commonly known as (?patching up) the economy. We do not want to fall into that pattern; instead, we must seek a plan within an overall framework based on interrelated measures that will lead us in the right direction.

There are two fundamental problems currently affecting Guatemala, and we should all try to solve them. The first one is the unemployment problem. We must seek ways to reactivate our economy. In this sense, it is the government's responsibility, as coordinator of the national efforts, to promote projects that will create new jobs and new enterprises, and to implement projects in rural areas. As we discussed with the international institutions, there are projects which have had to be postponed. Our main interest is to expedite the implementation of the projects for which loans have been already obtained, to quickly generate new opportunities of employment, particularly in the rural areas. This is already under way, as we are trying to reactivate some projects. Of course, there are always some institutional problems; however, our main interest is to encourage those projects that can be carried out this year, and even this month if possible. [end recording]

Finance Minister Paiz Andrade said that there are two factors distorting our national economy. Here is his statement:

[Begin recording] [Words indistinct] the economy has carried out the issuance of money in two ways: through the foreign exchange system, and through the fiscal system. In general terms, the money machine has been issuing currency without any backing. We must reduce this currency issuance as part of the economic readjustments. In general terms, we must try to stop this practice, as it is a factor that generates inflation, and thus contributes to an increase in prices. [end recording]

RESTRICTIONS ON DEATH PENALTY TO BE WITHDRAWN

PA241316 Guatemala City PRENSA LIBRE in Spanish 21 Feb 86 p 4

[Text] Foreign Minister Mario Quinonez Amezquita announced yesterday that Guatemala will no longer follow the OAS restrictions on the implementation of the death penalty in Guatemala for political and related common crimes which have been in effect since 1980, as they contradict one of the articles in the Constitution of the Republic.

Quinonez Amezquita said at a press conference that Guatemala established restrictions on the implementation of the death penalty for the crimes mentioned in 1980, when it signed a treaty on human rights.

According to Minister Quinonez Amezquita, those restrictions contradict the new Constitution of the Republic and therefore, must be abolished.

Quinonez Amezquita added that a special commission will travel to the OAS to request the lifting of those restrictions.

HONDURAS

NEW OIL AGREEMENT SIGNED WITH VENEZUELA

PA232342 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 21 Feb 86

[Excerpt] Today Honduras and Venezuela signed a new oil agreement. The signing of the document, held at Government House, was done by President Jose Azcona Hoyo and Venezuelan Investment Fund [FIV] President Hector Hurtado.

The sixth oil agreement, signed by economic cabinet and FIV officials, states that Venezuela pledges to continue supplying Honduras with 6,000 barrels of oil per day and to provide credit for the oil debt at easy terms. A partial agreement for commercial exchange was also confirmed, giving preferential customs treatment to Honduras, according to a statement by the minister-president of the Venezuelan financial organization.

ECUADORAN AGRICULTURE MINISTER BEGINS VISIT

PA241710 Panama City ACAN in Spanish 1641 GMT 24 Feb 86

[Excerpt] Tegucigalpa, 24 Feb (ACAN-EFE) -- Ecuadoran Agriculture Minister Marcelo Laniado, accompanied by his deputy minister, Diego Gandara, today began a working visit to Honduras. Laniado and Gandara will meet with the Honduran minister of natural resources, Rodrigo Castillo. Likewise, the two Ecuadoran officials will pay a working visit to various areas of Honduras in the next few days for the purpose of learning about several projects the government has begun with much success.

BRIEFS

SUPREME COURT MAGISTRATES -- The magistrates of the new Supreme Court of Justice are: Salomon Jimenez Castro, president; Roberto Perdomo Paredes, vice president; and Magistrates Elias Jones Calix, Oscar Alvarez Duron, Jaime Pineda, Mario Reyes Sarmiento, Hernan Carcamo Tercero, Evelio Rodriguez, and Joaquin Alcerro. The alternate Supreme Court magistrates are Virgilio Urmeneta Ramirez, Erdulfo Lainex Mejia, Rene Lopez Rodezno, Jose Abelardo Zeron Rosa, Miguel Angel Rivera Portillo, Saul Munoz, and Felipe Teobaldo Enamorado Suazo. [Summary] [Tegucigalpa LA TRIBUNA in Spanish 27 Jan 86 p 8 PA]

DEPUTY EDUCATION SECRETARY RESIGNS -- Yesterday, Honduran President Jose Azcona Hoyo accepted the resignation of Deputy Public Education Secretary (Jose Cecilio Silva). The outgoing secretary acknowledged receiving a salary from the defunct Central District's Metropolitan Council without actually working there. [Summary] [Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 18 Feb 86 PA]

NICARAGUA

EDITORIAL URGES PREPARATION TO FACE 'THREATS'

PA241609 Managua BARRICADA in Spanish 21 Feb 86 p 4

[Editorial: Sandino Leads Our America]

[Text] Today the Sandinist People's revolution will pay homage to General Augusto C. Sandino, 50 years after he was murdered in a cowardly fashion. The homage will come in the form of the presentation of the first draft of a constitution inspired by the legitimate interests of the Nicaraguan people.

The constitution will erase centuries of a history that lists traitorous Kupias-Kumi [not further identified] pacts, as well as politicians anxious to faithfully follow the orders of the imperialist master. The constitution will be presented to the nation in compliance with the legacy of Sandino and with one of the points of the FSLN program, for which a struggle has been waged, and continues to be waged, to secure victory.

This will be a historic occasion. The drums of the most serious and dangerous threat issued so far by the administration of President Ronald Reagan are still echoing. During a visit to Grenada yesterday, Reagan called for the "unity" of the democratic countries "to get rid" of the revolution.

Reaffirming his absolute certainty that what happened in Grenada in 1983 is the type of solution he will provide again in 1986, Reagan said: "We will not be satisfied until all the people of the Americas join us in the warm splendor of liberty and justice." He said this in calling for support for his dangerous adventure.

Apparently, there is no limit to the U.S. President's rhetoric. His official threat to invade Nicaragua is his second slap in less than a month at the firm Bolivarian position of Latin America that the aggression on the Sandinist revolution must end and that reason and civilized negotiations must prevail.

His invasion threats, which are synonymous with death, tears, and destruction, are not aimed only at Nicaragua. They are aimed at all the people who have made the commitment to struggle at the side of our people. They are a threat against Contadora, which has already urged him to stop his adventure and which continues demanding a rectification of the U.S. policy.

The dangerous and insolent statement made by Reagan must not be seen out of the Latin American context because Latin America has closed ranks in support of the cause of the Central American people, and of the Nicaraguan people in particular.

The consistent tone in Reagan's speeches of recent months has been based on two facts: the clear and undeniable defeat that his mercenary army has suffered, and his desperate search for resources to save his project.

Reagan has dangerously sought only one alternative and from that position he is threatening Nicaragua and Latin America. The failure of the mercenary idea and his policy of force for Central America will eventually lead to an invasion adventure.

The war against Nicaragua has taken a road that has led to situations without precedent in U.S. legislation. It is incorrect to assume that the president of the most powerful and most warmongering nation of the world is being moved by demented whims. He is being moved by a philosophy that serves as a foundation for imperial power.

The Nicaraguan people have always seen the situation clearly. The creation on 1 February of the first reserve brigades for the defense of the city of Managua implicitly consolidated the defense capabilities of the people and confirmed the imminent victory over imperialism's beachhead: the mercenary army.

Advances in and the consolidation of our defenses move us closer to peace, but makes imperialism desperate and compels it toward its criminal and adventuresome policies.

Reagan's threats cannot be ignored. The alert call on the reservists in the newly-created brigades and in those brigades yet to be created in Region IV must be maintained and efforts must be increased.

Workers, peasants, and producers must consolidate the economy. The economic front must be an integral part of the military front.

This is the moment for national unity to support the revolutionary project, the moment for the constitutional discussion of this project and for the defense of a high standard of living for the Nicaraguans. Patriots must dedicate all their efforts to the revolution and prepare to wage one of the most important and decisive battles to face imperialist threats.

CARLOS NUNEZ REPORTS ON DRAFT CONSTITUTION

PA221712 Managua Radio Sandino in Spanish 1200 GMT 22 Feb 86

[Text] The task is finished, Commander Carlos Nunez Tellez, president of the Nicaraguan National Assembly and of the special constitutional commission, told President Daniel Ortega as he presented Ortega with the first draft of Nicaragua's new constitution. Copies of the draft constitution and a report on the deliberations on and drafting of the draft constitution were distributed to each of the 89 legislators who attended the session. Seven deputies of an Independent Liberal Party faction were absent following leader Virgilio Godoy's call to boycott the session. However, Constantino Pereira did attend. In the report, National Assembly President Nunez Tellez commended the hard work done by the members of the special constitutional commission during the 9 months they fully devoted to that task. The difficult yet historical task of preparing the first draft of the Nicaraguan constitution was valuable. There was evident goodwill on the part of all the members of the special commission and a desire to obtain a consensus and understand the need for national unity, Carlos Nunez Tellez said.

More than 70 percent of the draft constitution has been approved by all the parties. One hundred sixty-five of the 221 articles in the first draft constitution were approved unanimously by the members of the political parties who are part of the special constitutional commission, the report by that commission's president indicates. The report cites the actions undertaken by the various commission members with regard to the articles that were discussed, indicating if they agreed with, expressed reservations over, objected, or abstained from voting on them.

The draft constitution is divided into an introductory section, 10 titles, 28 chapters, 5 sections, and 221 articles.

It is comprehensive, revolutionary, democratic, and modern constitution. It was drafted along three lines: general principles, doctrine or dogma, and organic aspects. The draft constitution was written and approved in a spirit of flexibility. It was decided that principles would be discussed during the preparation of the final draft of the constitution, which will be written after the open meetings take place.

Commander Nunez Tellez told the members of the National Assembly that a new challenge is ahead: the preparation, drafting, discussion, and approval of the final draft of Nicaragua's first constitution. In his report on the first draft constitution, the president of the National Assembly told the deputies: We must be ready to make sacrifices during this second session of the legislature to fulfill the task that the Nicaraguan people have assigned to us, to draft Nicaragua's first honorable, sovereign constitution. He said that the open meetings will be very important because through them the people will cautiously and in an organized way forge their future. All the people will be free to present their views on the new constitution, he said. Now it is up to the people to say what they want in their constitution.

WHEELOCK REPORTS CASUALTY-FREE COFFEE HARVEST

PA241352 Managua Radio Sandino in Spanish 1200 GMT 21 Feb 86

[Text] The mercenary forces that planned to stage a massacre and intimidate coffee harvesters and growers in the coffee plantation areas were totally disbanded, [Ministry of Agricultural-Livestock Development and Agrarian Reform] Minister Commander Jaime Wheelock said yesterday. During a ceremony to welcome 1,700 coffee pickers who returned from the fields, Wheelock praised the Sandinist Armed Forces' successful efforts to drive the Somozist mercenaries out of the coffee harvest areas. This is what he said:

[Begin recording] The main effort of the Armed Forces, Sandinist People's Army, and Interior Ministry was to establish a military enclosure around the coffee areas so that our people could harvest the coffee. We must also commend the internal effort by the coffee brigade members who had to follow guidelines designed to guarantee their self-defense.

This year we did not have any casualties due to attacks by the mercenaries. Our Armed Forces successfully frustrated Reagan and the counterrevolution's urge to stage a massacre, terrorize the workers, and intimidate growers. [end recording]

PARTY LEADERS SUPPORT ORTEGA CALL FOR UNITY

PA222152 Managua Radio Sandino in Spanish 1200 GMT 22 Feb 86

[Text] Opposition political party leaders reacted favorably to the call for national unity issued by President Daniel Ortega yesterday during the installation of the second session of the National Assembly. Rodolfo Romero Herrera of the Independent Liberal Party, PLI, a dissident from Virgilio Godoy's faction, said that the threat of an imminent U.S. aggression against Nicaragua calls for the unity of all of the country's sectors.

[Begin recording] We have clearly stated that a movement toward national unity must include all of the country's sectors. I believe that the aggression Nicaragua is facing compels all Nicaraguans to show patriotism. [end recording]

Luis Sanchez Sancho, leader of the Nicaraguan Socialist Party, termed Commander Ortega's call for unity as important and opportune.

[Begin recording] The call he has made for national political unity in the face of the increased aggressiveness of the U.S. Government -- as confirmed by President Reagan's recent statements in Grenada -- is important and realistic. It coincides with the call that various political parties are making for the creation of a broad, patriotic, anti-imperialistic front in Nicaragua. [end recording]

Carlos Garcia Caracas, of the Popular Social Christian Party said that the call to unity marks the beginning of a broader political phase.

[Begin Garcia recording] The call to unity of all parties marks the beginning of a broader period of domestic political action. I believe that the political consensus already begun must continue until it rallies round it complete national unity to face the U.S. Government's attempts to restore a past that must not be repeated in Nicaragua. [end recording]

Rafael Cordova Rivas, coordinator of the Democratic Conservative Party of Nicaragua, PCDN, said that President Ortega's address was noble and patriotic.

[Begin recording] It was emotional, patriotic, and noble. [end recording]

100 REBELS ACCEPT AMNESTY IN JINOTEGA

PA241650 Managua Radio Sandino in Spanish 1200 GMT 24 Feb 86

[Text] Approximately 100 rebels who fought in the counterrevolution's ranks for several months have turned themselves in to the authorities, taking advantage of the amnesty law. The former rebels, natives of various municipalities in Jinotega Department, turned themselves in yesterday during a ceremony in San Rafael del Norte. According to Francisco de Jesus Rodriguez, Radio Sandino's correspondent in that city, the former rebels said [words indistinct] and pledged to work in their corresponding communities. Here is the report:

[Begin recording] [Rodriguez] More than 100 rebels who laid down their weapons were turned over to their families under the amnesty law during a ceremony at San Rafael del Norte's Heroes and Martyrs Sports Fields on Sunday, 23 February. Zonal FSLN authorities, members of the local junta, Interior Ministry, and National Union of Farmers and Cattlemen [UNAG], and relatives of the surrendering rebels attended the event. UNAG Zonal Representative Augusto Angel Picado urged the peasants to take their combat positions in production and to defend the revolution by promoting the move to surrender so that deserting rebels may confidently rejoin production tasks and participate in the cooperatives' efforts.

Let us listen to a statement by former rebel Rafael Blasco Mairena, who discussed the complicity of the Honduran Army -- the so-called Cobras -- in actions directed against the Nicaraguan Government and people.

[Blasco] I worked at a factory. Then one day -- a Saturday -- I was on my way to work in the morning on a bus and Honduran guards arrested me. They were those special guards from Honduras known as the Cobras. They stage operations during which they round up young Nicaraguans and throw them into prison. They arrest them by pulling them off of the buses and then throw them into prison. Then the contras' vehicles drive up and take them away. They are sent to the bases, where they are given weapons, and from there they are sent to Nicaragua.

Well, after I was arrested, I thought: I am going to Nicaragua. Once I get there I'll figure out a way to get home because I am wasting my time here. There was a clash here in Rio Grande. I was on my way back from there with the rest of the group. The ones in front of us had to fight. We didn't because we were further back. That's when I took advantage of the situation to escape. I dropped everything and fled like a madman. I had never been in combat before. When I saw everybody disband, then I ran. [end recording]

COMMANDERS REPORT CAPTURE OF CONTRA COURIERS

PA211410 Managua EL NUEVO DIARIO in Spanish 20 Feb 86 pp 1, 6

[Text] The nearly total breakup of a contra courier network as well as the capture of 180 mercenaries between 1 January and 15 February are the new blows revealed yesterday by Commanders Juan Jose Ubeda and Manuel Salvatierra, delegate of the Interior Ministry [MININT], and chief of the FSLN 6th Military Region, respectively.

Commander Juan Jose Ubeda detailed several MININT operations in the 6th Region carried out in the last 3 months of 1985 as well as to date in 1986. These operations resulted in the elimination of 49 couriers and the capture of 65 other armed couriers, as well as the recovery of approximately 150 rifles, 130 of which were exhibited.

He also reported on the approximately 85 crimes carried out by the conterrevolution in the past months against the peasant population for refusing to join mercenary ranks, or for being sympathizers with the revolution.

These crimes were committed in Rio Blanco, Tuma, Waslala, Waslalita, and La Sirena. Among other criminals already identified, he mentioned "Campeon," "Chacal," "Colim," Pedro Hernandez, Luis Angulo, and "Perron."

He mentioned the murder of peasant Concepcion Estrada, who was killed by "Colim," and the case of Concepcion Rivera, a peasant killed after she convinced her sons to lay down their arms [desalzarse].

The commander pointed out that the number of crimes committed by the contras is much larger and those that are mentioned are just cases reported by relatives of victims to MININT delegations.

Further commenting on the breakup of the mercenaries' support bases, for example, the courier systems, Ubeda said that MININT had begun a number of operations involving special units, which also seized weapons.

A large number of FAL, G-3, AK, Garand, and VZ rifles; mines, grenades, rockets for RPG-7 rocket launchers, grenades for 60 mm mortars, blue uniforms, nylon knapsacks, raincoats, magazines [preceding word in English], etc. were exhibited to those present.

He reported that during MININT operations between 1 January and 15 February, 180 counterrevolutionaries were captured, most of them between San Ramon and Matiguas.

He also reported that during the last 3 months of 1985, 213 peasants, who deserted from the contras turned themselves in to the authorities. To date in 1986, 125 others have turned themselves in. The total of 338 shows the degree of demoralization prevailing among the mercenary forces.

Ubeda commented on the lack of credibility of the contras, which is reflected in the large number of desertions from their ranks.

Commander Manuel Salvatierra, chief of the FSLN 6th Military region, commented on the operational-military situation in January and February in that area. He mentioned that the training of their forces and the improvement in the quality of their weapons were among the objectives that the counterrevolution was going to carry out in November and December 1985, in order to later infiltrate mercenaries through San Andres, Bocay, to northern Jinotega.

The objective of that operation, Salvatierra said, was to enter deep into Region 6 in Matiguas, into downtown Matagalpa, and into the coffee fields in Jinotega, something which was not achieved.

"To that end, the military man added, they had up to 3,500 men. The new element in this phase was the introduction of more sophisticated weapons such as the "SAM-7" missile. [quotation marks as published]

He said that despite all these actions by the mercernaries, their plans for 1986 were neutralized through 136 clashes initiated by the EPS which resulted in 233 dead, approximately 94 wounded, and 29 captured.

"Contra activity, in contrast, was reduced to 4 ambushes, 3 attacks, 3 infiltrations, 10 aerial violations from Honduran territory to supply their forces, and 3 kidnappings."

The EPS offensive also yielded the recovery of 2 M-60 machine guns, 82,000 cartridges of various calibers, 6 radios, and 70 rifles.

The main clashes took place in northern Zelaya, and in northern Jinotega Departments, near Yali and Wiwili.

He pointed out that despite their attempts to harm coffee pickers, no regrettable incident in this regard was reported due to the activity displayed by EPS troops which all but cornered the mercenaries, thwarting their mobility.

He also said that there are still some isolated forces [remanentes] in the region that are acting in desperation and are seeking to retreat in the north; that is, they are heading toward their bases in Honduran territory.

Three couriers of the mercenary forces who had been collaborating in recent years in various points in the 6th Region by conveying information and carrying weapons were also presented.

Their names are Evaristo Luciano Soza Mendoza, Abel Aguilar Montoya, and Modesto Merlos Hernandez, all of them recruited between 1983 and 1984.

Abel said that he knew of the murder of the Sandinist Unity youths in San Jose de las Mulas, because the mercenaries stopped at his hut on their way to that place.

Merlos Hernandez said that he is the father of 13 children and admitted that during his initial contact with a so-called Juan Perez, he agreed without hesitation to help the contras. He said that he worked as a courier under orders of a so-called "Musun."

CASTRO ARRIVES IN MOSCOW, MET BY SHEVARDNADZE

FL241321 Havana Television Service in Spanish 1300 GMT 24 Feb 86

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the Communist Party of Cuba, arrived this afternoon in Moscow at 1200 local time heading the Cuban delegation to the 27th CPSU Congress. Carlos Rafael Rodriguez and Jorge Risquet Valdes, Politburo members, and Lionel Soto Prieto, Secretariat member and Cuban ambassador to the Soviet Union, are part of the delegation attending the CPSU congress.

Meeting the chief of the Cuban revolution at the airport was Eduard Shevardnadze, CPSU Politburo member and foreign affairs minister, and other leaders of that sister country.

Places Wreath at Lenin Mausoleum

FL241614 Havana Radio Reloj Network in Spanish 1032 GMT 24 Feb 86

[Excerpt] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba [PCC], has placed a floral wreath at the mausoleum of Vladimir Ilyich Lenin, founder of the Soviet state. Castro is making his 11th visit to the Soviet Union, at the head of the PCC delegation to the 27th CPSU Congress.

NATIONAL ECCLESIASTIC MEETING CONCLUDES IN HAVANA

Papal Envoy Speaks

FL242341 Havana Television Service in Spanish 0100 GMT 23 Feb 86

[Text] This week Havana hosted a Cuban National Ecclesiastical meeting. Delegates and guests carried out their work at the Felix Varel sacerdotal center in an atmosphere of dialogue and social participation. Cardinal Eduardo Pironio, Pope John Paul II's envoy and president of the Pontifical Council for the Laity, made the closing remarks.

[Begin recording] Thank you for the simplicity and the affection with which all of you, my dear brothers and friends, have welcomed me, especially the bishops. I thank the authorities of this country, which have admirably facilitated my being able to accomplish so much in such a short period of time. I thank them for the generosity and warmth I have felt. I can assure you that the Cuban people and their history have touched my heart deeply during these days. [end recording]

Cuban Vice Foreign Minister Ricardo Alarcon, bishops, and ecclesiastic authorities from several countries were present at the closing ceremony. The event concluded with a mass at the cathedral, celebrated by Cardinal Pironio. Within the framework of this ecclesiastic meeting, the delegates honored Felix Varela on the occasion of the 133 anniversary of his death. Jose Felipe Carneado, chief of the Central Committee Religious Matters Department, attended the solemn ceremony at the University of Havana's main amphitheatre.

Rules Out Papal Visit Soon

PA241546 Madrid EFE in Spanish 1200 GMT 24 Feb 86

[By Juan Jesus Aznarez]

[Text] Havana, 23 Feb (EFE) -- Cardinal Eduardo Pironio, papal envoy to the meeting of Cuban Catholics, has said here that a visit by John Paul II to Cuba is not foreseeable in the near future. Msgr Pironio, accompanied by the papal nuncio in Havana, Msgr Giulio Enaundi, met for an hour and a half with Cuban President Fidel Castro, to whom he delivered the pontiff's greetings.

In statements to EFE, Cardinal Pironio explained that he did not travel to Cuba to arrange for the pope's trip and that the issue had not been brought up during the meeting. "I am optimistic that the pope will visit Cuba, but not immediately, because his schedule is already filled for 2 or 3 years," he said. He added: "That does not mean that on one of his trips to Latin America he may not also include a visit here, but, I repeat, I did not come with any special mission to arrange that trip."

The papal envoy, president of the "Pontifical Council for the Laity," has attended all sessions of the "Cuban National Ecclesiastical Meeting" and has noted that it is "of great significance to the Catholic Church in Cuba." Cardinal Pironio described his meeting with the leader of the Cuban revolution as "most cordial" and remarked: "Both parties had shown interest in communication and dialogue." "We did not discuss specific issues. It was, above all, a quick look at the principal problems of Latin America in view of the situation of misery, the underdevelopment of many Latin American nations, and other matters," he reported.

The pontifical representative said that John Paul II would travel to Cuba "immediately" if the Holy See and the Cuban Government should deem the conditions proper for, "let us say, a pastoral" visit. "The conditions should be properly ripe, evidencing the desire of both parties that the pope's visit should not be simply a passing light and that his presence should really mean something new to the Christian communities," he said.

The president of the "Pontifical Council for the Laity," who will inform the pope about the most important meeting of the Cuban Catholics in the past 25 years, affirmed that his impression about the religious assembly was "strongly positive." "This week's meeting means much to the Cuban Catholic Church, to its renewal, to its commitment to walk ever closer to man, to all men," he said. "The Church must not be buried in itself or in what is merely the cult; it should value the presence of the laity, particularly in the world of temporal realities: the family, work, culture, and so forth," the cardinal said.

He stressed that he was most impressed by the desire for reconciliation expressed through the various motions and "in seeing how the Cuban Christians showed their patriotism." At the beginning of the mass closing the meeting, offered by the cardinal of the Havana cathedral, the faithful who filled the premises sang the national anthem and shouted: "Cuba, Cuba, Cuba."

During his stay in Cuba, Msgr Pironio visited several Christian communities "to let them know how closely the pope watches them, loves them, and encourages them." He noted the unity existing between the Cuban bishops, priests, clergy, and laity and described Cuba as "one of the most exemplary nations in that respect."

Concerning the Central American conflict, he said the church must act "most objectively and tactfully" in view of the special, tense situation in some countries. He said that "what is known as the popular church" in Latin American nations "does not present the true image of the church, which is in full communication with the pastors, and consequently with the holy father." He was optimistic that the problems affecting the Central American area can be resolved, explaining that he did not know in detail the position of the North American bishops on the aid to the "contras" fighting the Sandinist regime. In reference to this, he said: "I believe the peoples must have enough freedom to decide what they want, but I do not know specifically the position of the U.S. bishops."

He denied the Cuban Government had manipulated the Catholic Church meeting, which he described as the result of a slow process, "seriously considered by the church and which bore its fruits at this meeting, in which the church has felt quite free."

Meeting 'Surpassed' Expectations

PA241849 Madrid EFE in Spanish 1215 GMT 24 Feb 86

[By Raquel Martori]

[Text] Havana, 24 Feb (EFE) -- The Cuban Catholic Church has evaluated the results of the "National Ecclesiastical Meeting" as having surpassed the expectations of all its participants. During his latest meeting with the press, Monsignor Carlos Manuel de Cespedes, vicar of the Archdiocese of Havana and spokesman for the meeting, commented: "I never expected the consensus to be as broad as it actually was."

Msgr Cespedes spoke about the development of the meeting -- which began on Monday, 17 February, and concluded yesterday -- the "work document" that served as the basis for the debates, and other documents on topics ranging from the current situation of the Cuban Church, pastoral action, "faith and culture," "the laity," "faith and society," and the objectives sought by the Cuban church in its future plans.

The "National Ecclesiastical Meeting" (ENEC) was held following a process of "ecclesiastical reflection," which began in the early 1980's and which called for analysis in order to produce the "working document" at the diocesan meetings on the island, including a wide range of aspects concerning the church's internal life. Msgr Cespedes said that both the meeting and the document "can be the catalysts for giving new life to Cuba's revived church." Msgr Cespedes noted that the "National Ecclesiastical Meeting" will become an achievement "to the extent the church makes it part of life." "If the ENEC and its conclusions are made part of the Cuban people's life, then it can be considered an achievement of the Cuban people."

Evangelization, renewal, revitalization, and, in sum, a new style proposed by the Cuban Catholic Church are some of the main options presented at the meeting. The spokesman for the meeting also stressed the Cuban Catholic Church's willingness to hold talks with the state and at the same time stressed that "reality cannot be ignored, and that is the church's option in Cuba."

"All of the participants at the meeting are in favor of dialogue," Cespedes said, adding: "We must clearly emphasize our willingness to talk and to participate in a dialogue," because "the Cuban church has never favored a confrontation." In a message revealed at the end of the meeting, the Cuban Catholics urged the Church to be "missionary, worshipful, and incarnated."

The Episcopal Conference will meet next Monday to discuss the meeting's "final document," which is expected to be published in the form of a book. The preparation of a pastoral letter will also be discussed. The delegates to the ENEC -- 181 laymen, churchmen, priests, and bishops -- signed a letter addressed to Pope John Paul II in which they proclaim their "steadfast faithfulness to Peter's See" and their "profound communion with the church throughout the world and Latin America."

The delegates stressed that the presence at the meeting of Cardinal Eduardo Pironio, the Pope's personal representative, "gave the meeting an atmosphere of contemplation, hopefulness, serenity, and confidence, characteristic of the things of God."

McGrath Rejects Contra Aid

PA232106 Havana International Service in Spanish 0000 GMT 21 Feb 86

[Text] Here in Havana, Panamanian Archbishop Marcos McGrath has spoken against U.S. Government aid to Nicaraguan counterrevolutionaries. He said that he shares the moral view of the U.S. bishops who oppose President Reagan's policy. A solution will not be found through the military path, he said. It can only be found through a dialogue. He also said that the Salvadoran church plays a great role in the mediation between the guerrillas and that country's regime. He noted that Latin America must be more united, because our weaknesses stem from our lack of unity.

McGrath is representing the churches of Panama and Central America as a guest at the Cuban National Ecclesiastical Meeting, which began in Havana on Monday.

Archbishop: Words 'Misinterpreted'

PA231747 Panama City STAR AND HERALD in English 23 Feb 86 pp 1A, 12A

[Text] The Archbishopric of Panama said that statements attributed to Monsenor Marcos Gregorio McGrath in Havana, Cuba, and distributed by an information agency which stated that he "Opposed United States aid to "Contras' in Nicaragua," were misinterpreted. According to the bulletin issued by the Archbishopric, McGrath said "That he refrained explicitly from making personal statements on U.S. aid to the "Contras'." The text of the bulletin is as follows:

Bulletin

On his return from Havana, Cuba, on Friday Feb. 21, where he attended the Cuban National Ecclesiastic Encounter, Monsenor Marcos Gregorio McGrath, Archbishop of Panama, promised prompt information to the Church and the public in general, on the historic meeting of the Church in Cuba. At the same time, the Archbishop hastened to correct certain aspects on statements attributed to him and which appeared in local dailies on Friday, Feb 21, giving the total context of the interview.

1. On United States aid to 'Contras' in Nicaragua, reference was made on the stand taken by United States Bishops, who are opposed to the aid being given; he said explicity that he refrained from making any personal statements.

2. He cited the constant insistence of the church in respect to the main problem in Central America, which is poverty and the frequent injustices that require peaceful economical and political solutions, not arms, neither conflicts nor military intervention, which only destroys everything, including mankind.

3. Within the Central American context, he applauded the reconciliatory efforts of the Church, especially in El Salvador.

4. On Contadora, he was of the opinion that dialogue and its proposals are a ray of hope for peace, but, needed to be complemented with more effective dialogue between those in conflict in each nation.

Archbishopric of Panama Feb 22, 1986

ALMEIDA STOPS IN ALGERIA, EN ROUTE TO SDAR

FL250057 Havana Radio Rebelde Network in Spanish 0000 GMT 25 Feb 86

[Text] Commander of the Revolution and Politburo member Juan Almeida Bosque has stopped over in Algiers en route to the Saharan Democratic Arab Republic. The high-level Cuban leader will attend the Saharan Democratic Arab Republic's events commemorating the 10th anniversary of its founding.

COOPERATION PROTOCOL SIGNED WITH YUGOSLAVIA

FL250217 Havana Radio Rebelde Network in Spanish 0000 GMT 25 Feb 86

[Text] Cuba and Yugoslavia have signed a protocol which includes economic cooperation possibilities for the period of 1986-1990. The document was signed in Havana by Jose Lopez Moreno, Central Committee member, vice president of the Council of Ministers, and minister president of the Central Planning Board, and Dr Milos Sindic, director general of the Federal Planning Institute of the Socialist Federal Republic of Yugoslavia.

TANZANIAN PARTY RENEWS COOPERATION AGREEMENT

FL221255 Havana Radio Progreso Network in Spanish 1200 GMT 22 Feb 86

[Text] Politburo member Jorge Risquet and (Engombale Nueru), Politburo member of the Revolutionary Party of Tanzania and chief of its Ideology, Political Education, and Training Department, have signed a document renewing a cooperation agreement between the two organizations. The agreement allows exchange of information for a better understanding and to work on problems which arise in the struggle against imperialism, colonialism, neocolonialism, racism, and apartheid.

TRADE MINISTER MEETS JAPANESE INDUSTRIALIST

FL241632 Havana Radio Reloj Network in Spanish 1549 GMT 24 Feb 86

[Text] Cuban Foreign Trade Minister Ricardo Cabrisas met today with Yosihiro Inamaya, president of Keidanren, a powerful federation of Japanese economic and industrial groups. During the meeting, Inamaya expressed interest in the development of the Cuban economy and participation of several Japanese businesses and entities in that economy.

DOMINICA

CHARLES COMMENTS ON COMMUNISM IN THE AREA

FL242221 Bridgetown CANA in English 2041 GMT 22 Feb 86

[By Alister Hughes]

[Text] St George's, Grenada, Feb 22, CANA -- Communism is presenting a new face to the eastern Caribbean, Dominica's Prime Minister Mary Eugenia Charles said here. The Caribbean's lone woman prime minister said the new tactic was to try to prove to the subconscious of the people that communism is the best way to go.

Miss Charles, who was among nine Caribbean Community (Caricom) leaders here last Thursday for a mini-summit with U.S. President Ronald Reagan, said in an interview afterward: Only in Grenada will you now hear the rhetoric. The communists in the other islands now seek to appear friendly, kind and gentle...they are nice citizens. The communist cells in the eastern Caribbean will now try to promote themselves through the election process, she said, and this development was discussed with Reagan.

She expressed concern about the training the communists are now giving the young people, in the Caribbean and said the Western democracies must counteract that by equivalent training.

The possibility of a repetition in the eastern Caribbean of the Grenada revolution was not discounted, Miss Charles said, and Reagan promised to support the regional security scheme in ways determined by the island governments.

HAITI

DEMONSTRATIONS BANNED; OFFICIALS SEEK ASYLUM

FL241510 Bonaire Trans World Radio in English 1130 GMT 24 Feb 86

[Excerpts] Haiti's new six-man military-civilian junta has banned public demonstrations following continuing reports of violence against sympathizers of former President Jean-Claude Duvalier.

An official communique banning the demonstrations and warning citizens police will take strong steps to stop attacks on government supporters of the former president was published Saturday in the weekend editions of two newspapers.

Meanwhile, the Brazilian Embassy in Haiti has refused comment on reports that at least three former officials who served the deposed dictator asked for asylum. The former police chief is said to be one of them.

PRESIDENT HOYTE OUTLINES ECONOMIC PROGRAM

FL242215 Bridgetown CANA in English 2326 GMT 22 Feb 86

[Text] Georgetown, Guyana, Feb 22, CANA -- The six-month-old government of President Desmond Hoyte plans to open up Guyana's state-dominated economy to private enterprise, in particular from the Caribbean Community (Caricom), as part of its overall strategy for pulling the country out of a prolonged economic crisis. Outlining his programme for turning around the economy in a CANA interview, Hoyte said investment opportunities would be available to the private sector for exploiting the country's mineral and other resources under joint venture arrangements.

At this time, we don't have the capital and we don't have the technology that is needed to exploit these resources, he said. We know that many business people in Caricom have the capital, have access to the technology. So the whole idea is for us to pool our resources that we have (and) they pooling their financial resources and managerial resources and skills and so on to develop enterprises for our mutual benefit.

Hoyte said the government had already received investment proposals and enquiries from a number of Caricom businessmen. We are hoping that at least we could have the example of one of these projects coming off the ground just to illustrate the possibilities inherent in this kind of cooperation, he said.

Hoyte, indicating a willingness to give the private sector a greater role than his socialist predecessor Forbes Burnham, said his government had introduced new steps to encourage activity, like giving business a say in the formulation of government budgetary measures. He said the government would encourage increased agricultural production for the benefit of farmers and the public, take steps to ensure that local produce is not disadvantaged by imports, and continue to push the idea of import substitution. For example, he said government would not lift an import ban on sardines when there is an abundance of fresh fish available locally, but suggested the policy was not inflexible.

...we are not technological about our policies and programmes. We introduce policies which we believe are directly related to development. If these policies turn out to be ill-conceived or the circumstances change and would require an adaptation of changes in policies, well then we are prepared to do that, he said. At the moment, government was reviewing the situation of food production, and food availability at reasonable prices, he said.

With regard to the vital bauxite industry, Hoyte said the top priority was rehabilitation of the processing plant. Once we can rehabilitate the plant in the bauxite industry, I think we will survive and make the industry viable. He said government was holding discussions with the World Bank and the European Community on funding for the project.

Hoyte said government was reorganising the loss-making sugar industry, another key sector, with the emphasis being placed on diversifying the operations of the state-owned Guyana Sugar Corporation (Guysuco). He cited the possibility of producing ethanol, using bagasse for electricity generation, and getting Guysuco more involved in dairy farming, rice cultivation, and fish farming. What we will do with the sugar corporation is turn it into an agricultural complex and not merely a sugar complex, so that we reduce the dependency of that corporation on the export of sugar and sugar prices, he said.

PRESIDENT LIFTS WHEAT FLOUR IMPORT BAN

FL242238 Bridgetown CANA in English 1636 GMT 24 Feb 86

[Text] Georgetown, Feb 24, CANA -- Guyana's President Desmond Hoyte has announced the lifting of a four-year government ban on the importation of wheaten flour, but said it could be sometime before the product is again officially available. The announcement at the annual flag raising ceremony marking republic day brought spontaneous and prolonged cheers from an estimated crowd of 15,000.

With the imposition of the ban by the late President Forbes Burnham, wheaten flour became a most sought after product on the black market, with Guyanese prepared to pay exhorbitant prices to get supplies. The government had promoted production of rice flour instead as part of a policy to force Guyanese to eat local substitutes in the face of a prolonged shortage of foreign currency.

Hoyte indicated that the government's decision to lift the ban was linked to the fact that production of rice flour had not met demand. He said the government had no foreign exchange to purchase wheat supplies, but supported an initiative by the owners of the national milling company that would permit supplies to be imported without the need for government providing hard currency. He did not elaborate on the initiative.

In the circumstances, therefore, accepting that in our society flour has become a staple, I have agreed in principle to a proposal put to the government by the owners of the national milling company to restart the production of wheaten flour in Guyana, on the basis of their representation that a source of wheat could possibly become available without the government being required to make any significant outlay of foreign currency, he said.

But Hoyte cautioned: The production of flour will not start today. It will take some time for the various arrangements to be put in place. With wheaten flour being retailed on the black market at 11 dollars (one Guy dollar; 24 cents U.S.) a pound, officials estimate that 50 million dollars is garnered by smugglers annually.

Hoyte conceded that smuggling of wheaten flour into Guyana had reached extremely large proportions, with public officials and private individuals both here and in the supplier countries being caught in a wide trail of corruption. There had been signs for some time that Hoyte, who took power on Burnham's death six months ago, would have lifted the ban on wheaten flour.

TRADE MISSION COMPLETES CARIBBEAN TOUR

FL212248 Bridgetown CANA in English 2125 GMT 21 Feb 86

[Text] Georgetown, Feb 21, CANA -- A Guyana trade mission which has just completed a tour of several Caribbean Community (Caricom) states has reported immense interest within the region in increasing trade with Guyana. Mission head Winston Murray said special interest was shown in Guyanese sugar, rice, timber, timber products and pharmaceuticals. He said that Guyana gave the undertaking that it would import laundry soap from Dominica, edible oil from St Vincent and the Grenadines and footwear from St Kitts and Nevis. [sentence as received] In addition, Guyana would examine the possibility of importing margarine from St Lucia and other products from St Lucia and the Grenadines.

Murray said several barter arrangements were under active consideration. He said Guyana would receive payment from some of its exports by receiving products such as paints, foam and margarine. These items though produced in Guyana are not readily available to consumers because of the unavailability of foreign exchange to finance the importation of inputs.

Murray said possibilities for setting up joint ventures between Guyana and Trinidad and Tobago had reached a relatively advanced stage. The mission discussed with the Trinidad and Tobago private and public sector the pooling of resources for the construction of pre-fabricated houses, manufacture of wooden garden tubs, establishment of wood preservation and kiln drying operations and production of nectar and fruit juices from local produce.

The trade and goodwill team was sent to the Caribbean followjng talks between President Desmond Hoyte and several Caribbean leaders in Mustique last month. The mission's aim was to find ways of improving and expanding trade between Guyana and other Caricom member states. It visited Barbados, Trinidad and Tobago, Grenada, St Lucia, St Vincent and the Grenadines, St Kitts and Nevis and Dominica. The team is scheduled to visit other Caricom states at a later date.

VENEZUELAN AMBASSADOR DEEMS RELATIONS 'GOOD'

FL150252 Bridgetown CANA in English 2015 GMT 14 Feb 86

[Text] Georgetown, Feb 14, CANA -- Outgoing Venezuelan ambassador to Guyana, Dr Enrique Pienado Barrios, says he is satisfied that there is genuine friendship between the two neighbouring states, which have a longstanding border dispute. The present relations between Guyana and Venezuela are friendly and characterised by a common spirit of understanding, he told CANA.

Barrios said discussions are underway for Venezuela to purchase more of Guyana's bauxite. He identified forestry, food, and fisheries as areas for an expansion of trade.

Speaking about the territorial issue, he said he hoped for an early settlement. Venezuela's claim for five-eighths of Guyana is now before the United Nations secretary general. But the territorial issue should not affect the good relations now existing between our two states, he said. Barrios, who leaves here next week, first served here as ambassador from 1978-1980 and began his second term in 1984.

GOVERNMENT TO SEEK CARICOM MEMBERSHIP THIS YEAR

FL051735 Bridgetown CANA in English 1704 GMT 5 Feb 86

[Text] Paramaribo, Feb 5, CANA -- Suriname will seek membership of the Caribbean Community (Caricom) this year, Foreign Minister Eric Tjon Kie Sim says. The minister told a news conference that integration was a key component of Suriname's policy toward the region. Suriname has observer status in the community whose 13 members are all former British colonies.

The foreign minister said the region was not well-attuned to the Dutch-speaking republic, citing a lack of information and negative propaganda. He added: We shall establish all cooperation links which will serve our national interest. The minister pointed to Suriname's successful relations with Brazil and Colombia.

On Guyana, with which Suriname once had a raging border dispute, he said relations were reasonably good. But he said there were a few unspecified problems which had to be resolved and it was intended to have discussions on these during the year. He said that relations between Suriname and Trinidad and Tobago, Caricom's richest nation, will be evaluated shortly with a view to strengthening them.

The minister also announced a number of changes in ambassadorial appointments and said some diplomatic representation has been cut in an effort to trim expenditure. He said Ambassador Donald MacLeod had been recalled from Washington and has taken up a post at the Foreign Ministry. His replacement is former Ambassador to Venezuela Arnold Halfhide. The new ambassador to Washington will also serve Canada.

The embassy in Brussels will now be responsible for Romania, Czechoslovakia and France, while the Guyana Embassy will service Caricom. The country's consulate general in Cayenne will also be responsible for the other French Caribbean overseas departments of Guadeloupe and Martinique.

BRAZIL TO PROVIDE $20-MILLION LINE OF CREDIT

FL190250 Bridgetown CANA in English 1730 GMT 18 Feb 86

[Text] Paramaribo, Feb 18, CANA -- Brazil has extended a U.S. 20 million dollar line of credit to Suriname to finance purchases of material used in the ceramics, glass, and soap industries, the government announced. The agreement was signed here by officials of the two countries during a visit by a Brazilian technical mission at the end of last month.

The line of credit was secured by Prime Minister and Minister of Finance Win Udenhout when he visited Brazil last November.